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Asia Markets Soar, but Crisis Is 'Far From Resolved'

Demand for Stocks Rises After Holiday

By Philip Segal
International Herald Tribune

HONG KONG — Optimistic that financial reforms could spur a turnaround in Asia's economic crisis, investors plowed money into the region's stocks and currencies on Monday, pushing stock indexes in several countries to double-digit gains.

European stock markets also caught the fever, and were further bolstered by the weekend news of merger talks between the drug companies SmithKline Beecham PLC and Glaxo Wellcome PLC. Indexes in Britain, Germany, France and elsewhere closed at new highs on modest gains, and the buying spree continued in New York, where stocks rose more than 2 percent in late trading, largely on takeover speculation. (Page 11)

The global rally sprang to life in Asia. With markets opening after last week's Lunar New Year and a holiday to mark the end of Ramadan, the Muslim fasting month, investors showed renewed confidence especially in Indonesia, the country that has come closest to the brink of complete collapse.

The rupiah rose as much as 28 percent on Monday before closing up 17.8 percent, propelling confidence across the region and making Indonesian stocks denominated in rupiah more valuable from the point of view of foreign investors. Indonesia's benchmark stock index jumped 14 percent, to 554.11, its biggest one-day rise in five months.

Signs of Asian Vigor

Main share index	% change Monday	% change 1998
Hong Kong	12.8	12.8
Jakarta	14.2	14.2
Singapore	10.5	10.5
Bangkok	10.2	10.2
Manila	10.1	10.1
Taipei	10.0	10.0
Tokyo	9.8	9.8
Sydney	9.5	9.5
Wellington	9.2	9.2
Seoul	8.9	8.9

In Hong Kong, the Hang Seng Index registered its second-highest point gain ever, rising 1,326.24 points — more than 14 percent — to 10,578.60. Markets in Singapore, Bangkok and Manila all rose more than 10 percent. Economists acknowledged that there were regional developments to



A trader in London working through hectic trading Monday as Asia's rally and news of a drug merger sparked gains in Europe. Page 11.

cheer about, but said Asian companies and governments had a long way to go before they could declare the seven-month crisis over.

"This is very, very far from actually being resolved," said Mammundar Singh, an economist at Nomura Research Institute in Singapore. While he applauded Jakarta's moves last week to shore up Indonesia's banking system, he noted that there had been no concrete action toward alleviating the country's crushing load of private sec-

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The Dollar		
New York	Monday 4 P.M.	previous close
DM	1.8174	1.8295
£	1.6393	1.6345
¥	126.52	126.95
FF	6.0906	6.1345
The Dow		
Monday close	previous close	change
+201.28	6107.78	7906.50
S&P 500		
Monday 4 P.M.	previous close	change
+21.00	1001.28	980.26

In Wake of Asia's Crisis, Praise for Latin America

Past Turmoil Has Bred Hard-Earned Stability

By Alan Friedman
International Herald Tribune

DAVOS, Switzerland — While winners are not easy to find in the turbulent wake of Asia's financial crisis, corporate executives, major investors and government officials gathered here for the World Economic Forum are beginning to place their bets on Latin America.

Mexico is emerging as the savvy veteran of past turmoil, and is getting kudos for its tough fiscal policies; Brazil is being lauded for having moved quickly to defend its currency and battle inflation, and Argentina and Chile are also moving higher in the esteem of the world's financial and political elite.

Just three years after being battered by their own crisis, the major economies of Latin America appear to have sidestepped the risk of being infected by Asia's financial contagion, according to many attending the annual conference.

"The countries of Latin America will be impacted to some degree by the

Asian crunch, but in going through the Mexican crisis of 1994 they have learned to manage," said Thomas McLarty, President Bill Clinton's special envoy for the Americas.

Mr. McLarty stressed the extent to which Brazil, Mexico and Argentina had been able to avoid falling victim to collateral damage resulting from the Asian financial collapse.

"Brazil and the others," Mr. McLarty said in an interview Monday, "have taken very strong measures that show how much they have gotten ahead of the markets, ahead of the curve, and they've shown the will and the capacity to respond."

"For example, they have drawn the line on inflation, avoided protectionism and showed a commitment to outward looking policies, along with a commitment to democracy."

Goran Lindahl, president of Asea Brown Boveri, the giant Swiss-based

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Hillary Clinton, who called for "a civil society" around the world.

Mrs. Clinton Speaks At Davos Forum

Hillary Rodham Clinton, in a toughly worded speech at the World Economic Forum in Davos, Switzerland, said U.S. business leaders had neglected their own interests by failing to support "fast-track" trade negotiating power for her husband. She also called upon business leaders to push Congress to approve the payment of U.S. arrears to the United Nations and additional money for the International Monetary Fund. Page 6.

More Rioting Over Prices Hits Indonesia

JAKARTA — Violent protests have again erupted in key parts of Indonesia, with thousands of people burning shops as they challenged higher food and fuel prices, according to police and news reports Monday.

Violence flared during the weekend in up to 10 towns and villages on the densely populated island of Java and on Sulawesi, the officials said, with shops and the ethnic Chinese minority taking the brunt of the mobs' fury.

About 2,000 people pelted shops with stones in the western coastal town of Banawa, in Central Sulawesi Province, before being dispersed by paramilitary and police units, a military officer said.

Another large disturbance occurred in Pasuruan, 750 kilometers (470 miles)

For Indonesia's Chinese minority, caution is the watchword. Page 2.

east of Jakarta, where 400 people demonstrated in a marketplace against higher kerosene prices, the police said.

"They wanted to attack fuel agents there," a police officer said. "But fortunately, soldiers and police arrived in time." About 30 people were detained for questioning.

In Banawa, security forces regained control after two hours, arresting several alleged ringleaders, the military officer, Suwardi, said by telephone from the district military headquarters there.

"People are still concerned," he added. "Shop owners are still afraid to open. They raised prices indiscriminately and almost every day for basic necessities." The officer said 13 shops had been damaged.

Analysts warn that social unrest could increase as the painful effects of Indonesia's current economic crisis are felt. Unemployment and inflation are rising after a dramatic drop in the value of the currency, the rupiah. Austerity measures, enacted by the government

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Clinton Unveils Balanced U.S. Budget

'End of an Era' of Deficits Also Yields Map for Wider Federal Spending

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton proposed the first balanced federal budget in 30 years on Monday, seeking to reverse the long legacy of deficits that began during the Vietnam War and accelerated over the next quarter century.

The fiscal 1999 budget, which covers the year starting Oct. 1, calls for \$1.73 billion in spending and forecasts a surplus of \$9.5 billion for the year and \$218.8 billion over the next five years.

"This budget marks the end of an era — an end to decades of deficits that have shackled our economy, paralyzed our politics and held our people back," Mr. Clinton said at a White House ceremony.

To underscore his achievement, Mr. Clinton drew a gigantic zero on a chart labeled "1999 Budget Deficit," drawing applause from a crowd of administration officials and congressional Democrats.

The president's plan calls for expanding the federal government's role in providing child care, increasing medical research, lowering the age limits for Medicare and helping to hire 100,000 new teachers to reduce class sizes.

Overall, Mr. Clinton's 1999 budget proposes a 3.9 percent increase over this year's spending levels.

It would pay for it in three main ways: raising \$65.5 billion over five years

The president's plan depends greatly on a tobacco deal. Page 3.

from a national tobacco settlement that has yet to be enacted by Congress; higher tax revenues, chiefly from tobacco, businesses and investors, and cuts in some programs.

Whether any of Mr. Clinton's spending programs sees the light of day is an

open question, given that the Republican-controlled Congress is more interested in tax cuts than domestic spending.

"We can't go back to the days of skyrocketing government spending, but that's exactly what the president has proposed, with \$90 billion in new taxes and \$100 billion in new social spending," said the House Republican leader, Dick Armey of Texas. "For President Clinton, the budget surplus is the road back to the era of big government."

The fiscal 1999 budget request forecasts surpluses of \$218.8 billion over the next five fiscal years, with \$8.5 billion in

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AGENDA

France to Shut Fast-Breeder Reactor

PARIS (AP) — The leftist government decided Monday to close down the world's largest fast-breeder nuclear reactor that has cost France billions of dollars but functioned for only 30 months of its 10-year existence.

A handful of ministers, meeting under Prime Minister Lionel Jospin, formally agreed to shut the Superphenix reactor in eastern France and convert it to a research tool.

The "deconstruction" of the reactor will begin in 2005 and will cost 10.6 billion francs (\$1.73 billion), Finance Minister Dominique Strauss-Kahn said.

The ministers' meeting Monday had originally been set for last month but was reportedly postponed because of differences over the fate of the Superphenix plant.

The nuclear power industry gen-



NO CLEMENCY — A convicted killer, Karla Faye Tucker, moved closer to execution in Texas. Page 3.

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Saudis Stand Firm With U.S. on Iraq

Allies' Talks Stress Diplomacy; 'Grave Consequences' in Store

Reuters

RIYADH — The American secretary of state, Madeleine Albright, said Monday after talks in Saudi Arabia that Washington and Riyadh had agreed that Iraq would be responsible for the "grave consequences" of its refusal to comply with UN arms inspections.

Asked if the Saudis agreed that force was an option, Mrs. Albright said: "We see eye to eye on the issues involved."

"We agreed that diplomacy is the preferred action," she added. "If diplomacy fails to achieve a solution, Saddam Hussein will be responsible for the grave consequences that will follow."

A Saudi statement read on state television said, "The two sides asserted their interest in exhausting all diplomatic means to resolve the current crisis as the failure of such methods would entail grave consequences."

Mrs. Albright, on a Middle East mission to drum up support for a possible military strike against Iraq, was speaking after talks with Crown Prince Abdullah at a royal desert encampment in Saudi Arabia.

"The crown prince agreed with our assessment that the responsibility for this crisis falls clearly on the shoulders of Saddam Hussein," she said.

In Baghdad, the Iraqi undersecretary for foreign affairs, Riyadh Qaysi, denied Monday that Iraq had agreed to allow inspection of presidential sites or that President Saddam Hussein would meet the head of the UN inspection team, Richard Butler.

Referring to a report by the Russian agency Interfax earlier in the day, he said: "That report stated that Iraq accepted inspection of presidential sites and that President Saddam Hussein accepted to meet Richard Butler. That statement is totally, totally incorrect."

Barton Gellman of The Washington Post reported:

"The biggest question during Mrs. Albright's visit to Saudi Arabia was whether American warplanes may use Saudi air bases to stage strikes on Iraq."

People close to the maner said that the emir of Kuwait, Sheikh Jaber al Ahmad al Sabah, had granted permission in principle for U.S. pilots to fly F-117A fighters and A-10 attack jets from the Jaber air base in southern Kuwait should diplomacy fail to exact Iraq's full compliance with United Nations weapons inspectors.

Bahrain, Mrs. Albright's next stop on an eight-nation tour, is regarded by the Clinton administration as likely to follow suit. U.S. F-117A Stealth fighters and F-16 and F-15 fighters have been stationed at the Sheikh Isa airfield since November.

But Saudi Arabia holds larger stakes, diplomatically and operationally. The Clinton administration would like Arab political cover for any bombardment from more than a pair of tiny emirates, and it badly needs the use of Saudi air space and airfields to mount the "significant" and "sustained" bombing campaign it has threatened.

Part of the reason is that time is such a crucial factor in the air campaign that the administration talks about conducting if Mr. Saddam does not halt his defiance of the disarmament conditions imposed by the UN Security Council after the 1991 Gulf War.

Some members of the president's senior foreign policy team acknowledged in recent interviews that they are anxious that allied and world reaction, especially among Arabs, will impose practical limits on the duration of any bombardment.

If time is short, locally based American and British warplanes will have to fly a high rate of daily sorties to do the substantial damage they say they intend to Iraq's conventional and nonconventional military forces.

Such sorties would be difficult for the aircraft aboard the three U.S. carriers and one British carrier in the Gulf. They lack the combination of heavy payload and rapid turnaround that would enable

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Colleagues Are Dubious About Lewinsky's Lawyer

Many Say Ginsburg's Strategy May Be Flawed

By Ruth Marcus
and Bob Woodward
Washington Post Service

WASHINGTON — William Ginsburg, the lawyer for the former White House intern Monica Lewinsky, had just finished doing his latest television interview when he pulled out his beeper and began reading off the latest messages from journalists beseeching him for interviews.

"Call Mike Wallace," Mr. Ginsburg recited aloud, referring to the television correspondent.

"My new best friend," he said. He looked up at a reporter and added, apparently in all seriousness, "I'm the most famous person in the world."

This is the age of the lawyer as celebrity, when Court TV makes the O.J. Simpson murder trial a national obsession and Marcia Clark and Johnnie Cochran Jr. household names.

But even within this brave new legal world, Mr. Ginsburg's fame has swelled to Cochranian dimensions with lightning speed, thanks largely to the marriage media tour he has undertaken since the allegations involving Ms. Lewinsky and President Bill Clinton surfaced Jan. 21.

In Mr. Cochran's case, the outcome was a bumpy one — his client got off and the case made him not only a celebrity but the host of his own television show.

For Mr. Ginsburg, the story has yet to play out, and many are the criminal defense lawyers who say his press strategy — both his high profile and the particular comments he has made that would appear to undermine his client's case and her credibility — is dangerously flawed.

"I have to tell you I cannot figure out what the strategy is," said William Taylor 3d, one of Washington's leading white-collar criminal defense lawyers. "In the first place, negotiations between the defense lawyer and the prosecutor are always best conducted privately. The opportunity for misunderstanding based on comments to the media is very high. And I can't see the benefit to his client of having him discussing in the media what she says and doesn't say."

He added, "I think it is an unconventional approach to negotiating in a case of this importance."

Ms. Lewinsky's legal position is precarious. She submitted a sworn affidavit in the Paula Jones harassment suit against Mr. Clinton asserting that she did not have a sexual relationship with the president — a statement contradicted by her recorded conversations with former Pentagon colleague Linda Tripp, the tapes of which are now in the possession of independent counsel Kenneth Starr.

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Hollywood of the Mideast

Arab World Eats Up Spicy TV Fare From Syria

By John Lancaster
Washington Post Service

DAMASCUS — From Lebanon to the Gulf, television viewers are tuning in to "The Mirror," the Arab world's answer to the American program "Saturday Night Live."

Irreverent in the extreme, the hour-long comedy show takes gleeful aim at uncaring bureaucrats and autocratic rulers.

One recent episode parodied a summit meeting of Arab leaders, depicting them as self-important buffoons whose search for Arab unity ends in squabbles over soccer matches and a riot of hurled paper and insults. Another depicts the Kafkaesque struggles of "Essam" — a young Syrian woman with a man's name — to avoid the military draft by persuading government bureaucrats

that she is, in fact, a woman. In a region where governments have shown little tolerance for dissent, such pungent political satire is as rare as it is popular. What makes "The Mirror" even more remarkable, however, is that it originates in Syria.

Despite its well-deserved reputation for political repression, Syria has emerged as a leading producer of Arab television entertainment, much of it surprisingly bold in its treatment of sensitive themes.

Besides "The Mirror," Syrian-made programs now broadcast around the Middle East include a lavish adaptation of Shakespeare's "King Lear" and such historical dramas as "The Silk Market," a popular serial that casts a critical eye on the unhappy union between Syria

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Newstand Prices	
Bahrain	1.00 BD
Cyprus	€ 1.00
Denmark	14.00 DKr
Finland	12.00 FM
Gibraltar	€ 0.85
Great Britain	€ 0.80
Egypt	SE 5.50
Jordan	1.25 JD
Korea	K SH 160
Kuwait	700 Fils

770294 805025

Wealth Under Fire / Ethnic Tensions

For Indonesia's Chinese, Caution Is the Watchword

By Seth Mydans
New York Times Service

RENGASDENGKLOK, Indonesia — Anti-Chinese sentiment is bubbling to the surface as Indonesian riots react to the Asian financial crisis, but Mr. Embing Sutono, an ethnic Chinese shop owner, says he is confident that if riots break out, he will not be a target.

"Everybody knows me around here," said Mr. Embing, who owns four dry-goods shops in this town 30 kilometers (30 miles) east of Jakarta, the capital. "Even if I walk around at night, I'm safe. People call out, 'Hey, Mr. Bing, how are you doing?'"

Still, like other Chinese merchants here, he has put new iron grates on his shop fronts, burnished his relations with local security forces, set up an informal telephone network with his Chinese friends and stopped driving his expensive car so as not to provoke envy.

And as a public relations gesture, he and his son have printed 600 coupons for distribution to his poor, non-Chinese neighbors entitling them to a choice of a 3-kilogram (6.6-pound) sack of rice or a bundle of clothing.

Though they make up less than 4 percent of Indonesia's 200 million people — most of whom are Muslim — ethnic Chinese are estimated to hold as much as 70 percent of the country's private wealth. In small towns, they are typically shopkeepers and merchants like Mr. Embing; in the cities they control multibillion-dollar business conglomerates.

Part of this picture comes from the historical role of Chinese as traders under the Dutch colonialists. Part comes from the structure of modern Indonesian society, in which ethnic Chinese are mostly excluded from careers in the military or the government.

Thus much of the nation's cash is in the hands of Chinese businessmen, and they are widely resented for it. When times get tough, they know, they are often the scapegoats. Anti-Chinese riots are a thread running through recent Indonesian history — most notably in 1965 when ethnic Chinese were one of the targets in an anti-Communist massacre that took half a million lives.

In Rengasdengklok — and all around the country — ethnic Chinese are taking precautions. In the town of Salatiga in central Java, Chinese merchants are pooling their money to feed a local military unit in the hope of ensuring security in the months to come.

"Everything is calm here," said Mr. Embing, 55, looking out from his Great Blessings clothing store at the town's hot and clamorous central marketplace. "Calm but tense."

Signs of tension are beginning to emerge around the country, from mutterings in markets to anti-Chinese harangues in mosques to sly articles in newspapers about "conglomerates," a code word for the companies of rich Chinese.

Small riots have already broken out over the past two weeks in eastern and central Java. In one case, people burned a small Chinese-owned department store when it raised its prices. In another, they were angered by a rumor that merchants had raised the price of kerosene. In a third, they raided a Chinese-owned rice warehouse.

At the same time, some ethnic Chinese businessmen say they believe that the government is laying the ground for a smear campaign against them to divert public anger over unemployment and rising prices.

Last week, a prominent Chinese millionaire, Sofyan Wanandi, was questioned by the police for what they said was his possible connection to a bomb plot. A small group of students, most of them affiliated with a Muslim youth group, was then mobilized to demonstrate outside an institute with which he is associated. They distributed fliers that pointedly used his Chinese name, Liem Bian Koen.

In another signal, a military official two weeks ago urged ethnic Chinese to "bring home" some of their wealth from overseas to donate to an "I love the rupiah" campaign, implying that they were less than patriotic.

Ethnic Chinese say they can feel the mood changing, and some of the wealthier ones have made sure they and their children hold open tickets to Singapore. Some are said to have stocked their yachts in Jakarta's harbor for a quick getaway.

"I have never been insulted over the last 15 years since I was a student," said a young journalist. "But just last week, I was in a museum and a man shouted right in front of me, 'You Chinese are the ones who are making me suffer! I mean, I hadn't done anything. I was just working.'"

What people fear now is the kind of violence that swept through Rengasdengklok a year ago, set off when a Chinese resident objected to the noise of a neighbor's Muslim ceremony before dawn.

The riot shocked this town of 200,000 people, of whom only 4,000 are ethnic Chinese. Thousands of people rampaged through the streets



'Everything is calm here,' said Embing Sutono, outside his Great Blessings clothing store in Rengasdengklok. 'Calm but tense.'

attacking the businesses and homes of Chinese residents and burning down a Buddhist temple and two Christian churches, many of whose parishioners were ethnic Chinese.

As the violence spread, Muslim merchants painted "Muslim" on their shop fronts to protect them. "If we hadn't done that, we would have been attacked, too," said Tati Herlianti, proprietor of a tiny auto-supply shop. The protective graffiti remain around town one year later — along with the smashed windows of the now vacant Peska Discount, a three-story department store — as reminders of the explosive anger that lies just beneath the surface.

The ethnic Chinese residents of Rengasdengklok could take little comfort from the official response to the violence. When 55 rioters were convicted in court, the longest sentence any of them received was five months. The resident whose early-morning complaint touched off the riot was sentenced to three and a half years for "expressing hatred against Islam."

An ethnic Chinese man smiled warily when asked about the sentences. "I didn't have anything to say about that," he said. "I find it a little confusing."

So ethnic Chinese have begun to band together for their own protection. Shopkeepers hold regular

meetings at the town's biggest Buddhist temple, where they pray for peace and share advice, said the temple's caretaker, Sukartono.

"They understand that this is a time to be very, very careful," said Mr. Sukartono, 49, an ethnic Chinese man who was born in Rengasdengklok. He listed some of the measures they have discussed:

• Try not to raise prices sharply and "mind your language; don't use harsh words."

• Even if business is down, don't withhold employees' bonuses, which are paid in January. Be generous, with gifts of rice and food.

• Avoid displays of wealth, remove flashy jewelry and keep expensive cars "caged" in garages.

• Tone down Chinese New Year celebrations and cancel traditional lion dances in the streets.

"All of us feel the tension," Mr. Sukartono said. "Yeah, of course. All of us talk about it."

But not all ethnic Chinese fit the wealthy stereotype, he said, and not all have the same means to protect themselves. Mr. Sukartono has no expensive car to park in a garage and he cannot afford to buy airplane tickets to Singapore for his family.

"Not me," he said. "I'm one of the have-nots. That's the role of the conglomerates: They can go abroad. The have-nots just stay here and take what comes."

PLO Skips Decision On Revising Israel Clause

By Joel Greenberg
New York Times Service

JERUSALEM — The Palestine Liberation Organization's executive committee has withheld a decision on whether to amend the group's charter calling for Israel's destruction, according to participants.

Palestinian officials had predicted that the committee would endorse a decision made in April 1996 by the Palestine National Council, the organization's broadest decision-making body. The council had voted to amend the charter by canceling any articles that contradicted letters of mutual recognition exchanged between Israel and the PLO in 1993.

An endorsement by the executive committee would have been a nod to Israel demands that the Palestinians follow through on the council's decision. But an official statement said only that the executive committee had been briefed on a letter given by Yasser Arafat, the Palestinian leader, to President Bill Clinton at their meeting in Washington last month, which listed the articles of the charter annulled by the council.

Those articles were not specified in the 1996 decision, and Israel has demanded that the Palestinians spell them out in a new resolution by the council.

The Palestinians assert that the 1996 decision was sufficient, although they agreed in an American note added to an accord last year on an Israeli withdrawal from most of Hebron that they would "complete the process of revising the Palestinian National Charter."

In its meeting late Saturday in the West Bank town of Ramallah, the executive committee "took note of President Arafat's letter, and it is on the agenda now for the next meeting," said Saeb Erekat, the chief Palestinian negotiator. "By law the executive committee of the PLO must honor the resolutions of the PNC," he said. "The letter will be endorsed."

After meeting Mr. Arafat on Sunday, Secretary of State Madeleine Albright said at a news conference, "It is my understanding that they have put the issue of the covenant on an agenda item to be discussed."

The Palestinians have written letters to Prime Minister Tony Blair of Britain and President Clinton, she said, that made "clear which articles of the covenant they consider invalid, and we consider that an important step forward."

A spokesman for Prime Minister Benjamin Netanyahu said that neither Mr. Arafat's letters nor decisions by the executive committee were a substitute for action by the council, which the PLO charter says is the only entity authorized to change the document.

Louvre Statue Damaged

Agence France-Presse

PARIS — A 38-year-old man has been arrested and placed in a psychiatric unit for breaking a statue of the Roman philosopher Seneca in the newly reopened antiquities section of the Louvre Museum, police reported Monday.

Airline Is Sued Over Medical Kit After a Death

The Associated Press

BOSTON — A woman is suing United Airlines because its planes lack the medical equipment that she says could have saved her husband's life when he suffered a heart attack.

"I want to make United accountable," Jamie Somes, 39, said in a newspaper interview. "They knew before that there was a problem and a need to update their medical kits. I hope they will wake up and take charge."

The lawsuit, filed Friday in federal court in Boston, may be the first to accuse an airline of failing to provide lifesaving medical care in flight.

Tony Molinaro, a spokesman for United Airlines, which is based in Elk Grove Village, Illinois, said Sunday the airline was examining "what the right medical equipment for the aircraft should be."

He declined to comment on the lawsuit.

Steven Somes, a 37-year-old mutual fund manager on a business trip, was sitting in the first-class cabin of a United flight from Boston to San Francisco in October 1995 when he had the heart attack.

He had been given a clean bill of health by a family doctor not long before.

The flight had medical equipment required by the Federal Aviation Administration, including a blood pressure cuff, a stethoscope and medicine for acute allergic reactions.

Mrs. Somes's lawsuit contends that the plane should have been equipped with a portable defibrillator, which delivers a strong electric shock that can restore a normal heart rhythm during some cases of cardiac arrest.

The lawsuit says that although the medical emergency kit "may have complied with certain minimum requirements, it was inadequate to treat a sudden cardiac event such as that suffered by Mr. Somes."

Mr. Somes was in the company of three physicians, including a specialist in critical care medicine, when he suffered the attack.

The specialist, Dr. Paul Covington of North Carolina, directed an attempt to save Mr. Somes's life.

But he has said the plane was missing some of the tools most commonly used by paramedics in cases of cardiac arrest.

Many airlines of other countries carry more extensive medical kits, and several — including Qantas Airways, Virgin Atlantic Airways and Air Zimbabwe — carry defibrillators.

TRAVEL UPDATE

Tokyo Airport Shelled

NARITA, Japan (Reuters) — Explosions at Tokyo's main international airport at Narita slightly wounded one person on Monday and prompted airport officials to temporarily shut down the runway, the airport police said.

The police said that colleagues in the Chiba Prefecture force found a launching device in a parking lot behind a hotel near the airport.

Two projectiles were fired at the airport around 8:45 P.M., hitting the paved apron near the hangars. An airport employee was hit by shrapnel and suffered minor wounds. No group immediately took responsibility for the attack.

On Monday, train station strikes went on strike from noon to 2 P.M. Another strike, this time of all railroad employees, has been called for Saturday at 9 P.M. for 24 hours. And unions have called upon all railroad office workers to strike all day next Monday.

At Rome's Fiumicino airport, air traffic controllers planned to strike Thursday from noon to 2 P.M.

Haze caused by new forest fires reportedly delayed more than 10 domestic flights on Monday at the airport of Samarinda, an Indonesian provincial capital. Fires were spotted in East Kalimantan province last week, raising fears of another wave of the thick smog that plagued parts of Southeast Asia last year. (AP)

Week of Italian Strikes

ROME (AFP) — A series of strikes affecting Italian rail and air transport started Monday and will continue until next Monday, according to unions.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe				Asia			
City	Today	High	Low	City	Today	High	Low
Algeria	18/21	12/21	17/22	0/4	Almaty	2/5	1/5
Amsterdam	2/5	12/4	5/4	Beijing	3/9	2/7	2/7
Antwerp	4/9	12/4	5/4	Bombay	1/4	1/4	1/4
Athens	14/27	10/20	17/22	Buenos Aires	21/28	18/18	18/18
Bahia	2/5	12/4	5/4	Calcutta	2/5	1/5	1/5
Bangkok	3/9	2/7	2/7	Chengdu	1/4	1/4	1/4
Bombay	1/4	1/4	1/4	Chongqing	1/4	1/4	1/4
Buenos Aires	21/28	18/18	18/18	Dhaka	2/5	1/5	1/5
Calcutta	2/5	1/5	1/5	Hankow	2/5	1/5	1/5
Chengdu	1/4	1/4	1/4	Harbin	2/5	1/5	1/5
Chongqing	1/4	1/4	1/4	Hong Kong	2/5	1/5	1/5
Dhaka	2/5	1/5	1/5	Kobe	2/5	1/5	1/5
Hankow	2/5	1/5	1/5	London	2/5	1/5	1/5
Harbin	2/5	1/5	1/5	Los Angeles	2/5	1/5	1/5
Hong Kong	2/5	1/5	1/5	Manila	2/5	1/5	1/5
Kobe	2/5	1/5	1/5	Medan	2/5	1/5	1/5
London	2/5	1/5	1/5	Montevideo	2/5	1/5	1/5
Los Angeles	2/5	1/5	1/5	Osaka	2/5	1/5	1/5
Manila	2/5	1/5	1/5	Qingdao	2/5	1/5	1/5
Medan	2/5	1/5	1/5	Rangoon	2/5	1/5	1/5
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Osaka	2/5	1/5	1/5	Singapore	2/5	1/5	1/5
Qingdao	2/5	1/5	1/5	Taipei	2/5	1/5	1/5
Rangoon	2/5	1/5	1/5	Tokyo	2/5	1/5	1/5
Shanghai	2/5	1/5	1/5	Yokohama	2/5	1/5	1/5
Singapore	2/5	1/5	1/5				
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THE AMERICAS

Texas Closer To Woman's Execution

Board of Pardons Bars Her Plea for Clemency

AUSTIN, Texas — Karla Faye Tucker, a convicted killer who is scheduled Tuesday to become the first woman executed in Texas since the Civil War, moved a step closer to that fate Monday when the Texas Board of Pardons and Paroles rejected her plea for clemency.

The board's chairman, Victor Rodriguez, said that 16 of 18 board members voted against commuting her sentence to life in prison. There were two abstentions.

Ms. Tucker, 38, is to die by lethal injection Tuesday evening at a state prison in Huntsville for the 1983 pickaxe murder of two people from Houston. She sought a reprieve on grounds that she is now religious and no longer a threat to society.

She would be the first woman executed in Texas since the Civil War and only the second nationally since a 1976 U.S. Supreme Court decision allowed the reinstatement of the death penalty.

Governor George Bush could order a 30-day stay of the execution and ask the board to reconsider the case, but Mr. Rodriguez said he closed the door on that possibility by saying this would be the last review for Ms. Tucker.

The Texas board has never voted to commute a death sentence and Mr. Bush has never delayed an execution. Last year, 57 men were put to death in Texas, the most in the nation and the most in the state's history.

The board's decision meant that almost certainly her fate was now in the hands of the U.S. Supreme Court, where Ms. Tucker's attorneys filed an appeal last week seeking a stay of execution. They charged that the Texas clemency process was flawed.

The nation's highest court rejected an appeal from Ms. Tucker in December.

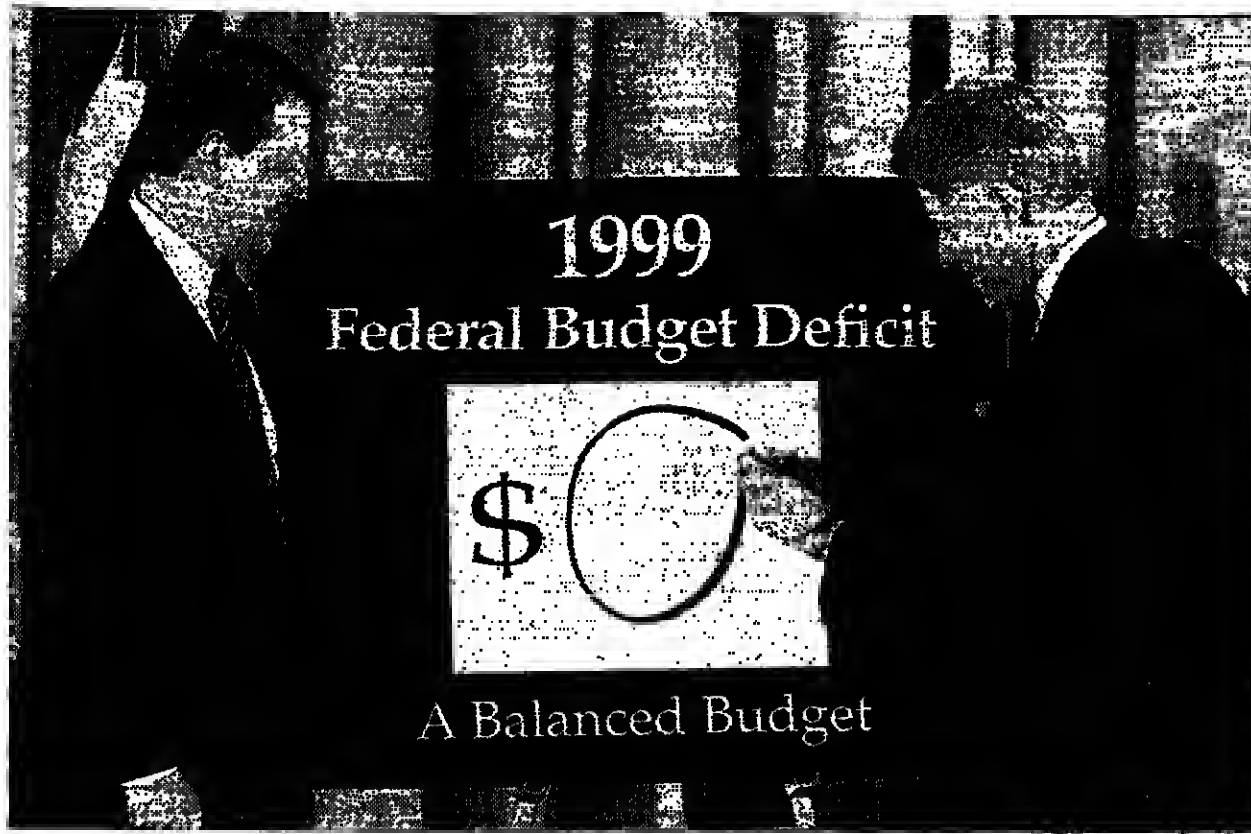
Mr. Rodriguez said the board's decision had been made without regard to her sex. In the end, it was the crime itself that sealed her fate, he said.

"I think the horrible nature of the case carried a lot of weight," he said. "It's not a pretty case to look at."

Ms. Tucker and her boyfriend, Daniel Garrett, were convicted for killing Jerry Dean and Deborah Thornton with a pickaxe during a burglary. Ms. Thornton was found with the tool plunged into her body. Ms. Tucker confessed to the crime, but said she and Mr. Garrett, who was sentenced to death by hanging, had been using drugs for days.

Ms. Tucker's case has been taken up by religious groups led by Pat Robertson, the television evangelist, and anti-death penalty groups. Pope John Paul II sent a letter to Mr. Bush urging clemency, as did the European Parliament.

The last woman executed in Texas was Chippita Rodriguez. She was hanged in 1863 in south Texas for using an ax to murder a horse trader.



Vice President Gore looking on as President Clinton graphically demonstrated his budget plan on Monday.

Unwavering, Gore Blazes Own Trail

By David S. Broder
Washington Post Service

LOS ANGELES — When Monica Lewinsky's taped sex and cover-up allegations against President Bill Clinton became public Jan. 21, Vice President Al Gore told his chief of staff, Ron Klain, to issue a simple command to everyone in the office: Do your job. Don't worry about things you can't control.

On a three-day California swing that concluded with his return to Washington on Sunday, Mr. Gore lived by the precept he had laid down. He worked conscientiously, and often enthusiastically, through a packed schedule of events that advanced the Clinton administration domestic agenda and, not so incidentally, strengthened his own ties with constituencies that will be important to him when he seeks the presidency in 2000.

He never faltered in his concentration on the matters at hand or in his avoidance of Topic A: what type of relationship Mr. Clinton had with Ms. Lewinsky. And while he is playing the loyal deputy role to the hill, he is also assiduously exploiting the opportunities Mr. Clinton has created for him, by promoting programs of importance to major Democratic voting blocs and building alliances of his own in business circles that in the past have been Republican territory.

Mr. Gore is happy to hand out treats from the Clinton budget to one and all. On Saturday, he gave Mayor Richard Riordan of Los Angeles and a passel of other city and state officials the word that parts of Los Angeles have been designated as "empowerment zones," entitling them to tax breaks and other federal assistance. Via satellite, he did the same thing with Mayor Michael White of Cleveland.

With Mr. Clinton's blessing, Mr. Gore has used his supervisory role in the "empowerment" program to cement alliances with more than a dozen big city mayors who were not previously his pals. That will come in handy if the House minority leader, Richard Gephardt of Missouri, or another urban liberal Democrat challenges him for the nomination.

On the tour, he also held budget-preview events that linked him with health researchers, school people, law enforcement officials and other such groups. He met with union leaders, Latino community spokesmen and Jewish outreach, all of whom play a key part in the politics of California and all of whom have business to transact with the administration.

Perhaps more important for the future, Mr. Gore held three closed-door conversations of a couple hours each with small groups of people from the high-tech world: venture capitalists who finance start-up companies, men and women who are pushing the frontiers of alternative energy and biological research, and the young multimedia innovators of Hollywood.

He calls them his "Goretechs," and after a dozen such meetings across the country in the past year, they number in the hundreds. Fascinated since his Harvard days by the intersection of science and technology with public policy, Mr.

Gore has impressed the successful postindustrial pioneers with the seriousness of his interest in, and knowledge of, their world. In turn, Mr. Gore has begun to lure many of them into discussions of education, urban problems and national security.

One of them, Arthur Levinson, the chief executive officer of Genentech Inc., hailed Mr. Gore at the company headquarters on Thursday as a man who "20 years before others, saw the potential in computers and, as a member of the House, held the first congressional hearings on biotechnology."

He added, "He is the proud patron of innovation."

For Mr. Gore, whose enthusiasm for the high-tech-driven New Economy and understanding of the science and technology behind it are probably unmatched among boomer politicians, this is a made-to-order constituency.

Significantly, it was one of the Goretechs who raised the only question the vice president heard all weekend about Mr. Clinton's situation. As participants in the closed-door meeting Friday in San Jose later recalled, one executive asked toward the end of their futuristic dialogue with Mr. Gore, "Why isn't Washington talking about these issues instead of all this other nonsense?"

Mr. Gore replied: "We just have to let this other thing run its course."

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Major Players in Clinton Drama Take a Breather

By Brian Knowlton
International Herald Tribune

WASHINGTON — The grand jury hearing allegations linking President Bill Clinton to a former intern took the day off Monday after an exceptionally busy week. The firestorm of media attention around the charges continued to cool.

The jury met every day last week, apparently the first time it had deviated from a twice-weekly schedule, and heard testimony from ranking White House figures.

Monday, for the first time in 11 days, William Ginsburg, the lawyer for the former intern, Monica Lewinsky, was absent from the nation's television screens. In a remarkable span of three-and-a-half hours Sunday, he appeared on five major network talk shows. He is to accompany Ms. Lewinsky to California in the next few days to visit her father.

Mr. Ginsburg said Sunday that Ms. Lewinsky would be willing to take a polygraph examination if the independent counsel, Kenneth Starr, promised not to charge her with lying in the affidavit she signed Jan. 7, in which she denies having had a sexual relationship with Mr. Clinton.

That affidavit was reportedly contradicted on secret tapes of conversations with Ms. Lewinsky recorded by Linda Tripp, a former colleague.

John Whitehead, president of the Rutherford Institute, a conservative Virginia-based group that is financing the legal defense of Paula Jones, on Monday delivered to Mr. Starr's office both the Lewinsky affidavit, which was made in the Jones sexual harassment case, and a transcript of the Jan. 17 deposition in which Mr. Clinton reportedly denied a sexual relationship with the former intern.

Newsweek magazine reported Monday that Mr. Clinton also swore in the deposition that he never met alone with Ms. Lewinsky after she left the White House for a Pentagon job in April 1996, and that she said the same in her affidavit. That could be significant if reports that the two met in the White House on Dec. 28 are confirmed.

Mr. Starr told reporters Monday,

"We're continuing to move forward," but he declined, again, to offer any timetable.

White House officials have had no comment on the matter in recent days.

Lawyers for the president hope to meet with prosecutors from Mr. Starr's office this week to discuss their response to the far-reaching subpoenas he has issued for logs of White House visitors and phone calls, as well as other material. Mr. Starr is investigating allegations that Mr. Clinton had a sexual relationship with Ms. Lewinsky, then asked her to lie about it under oath.

Ginsburg on Clinton and Israel

Well before he began softening his tone toward President Clinton this week, Mr. Ginsburg was quoted in an Israeli newspaper interview as saying that, as Jews, neither he nor his client wanted to topple a president friendly to Israel. The New York Times reported from Jerusalem.

Yediot Ahronoth, Israel's largest mass-circulation daily, published an interview with Mr. Ginsburg last Tuesday

After Castro, What Then?

Cuban Leader's Brother Prepares to Step In

By Larry Rohrer
New York Times Service

HAVANA — Three months after his older brother Fidel formally named him as his eventual successor, Raul Castro appears to be assuming a wider range of official duties and playing a more prominent role in the running of the Cuban government and the Communist Party, Cuban officials and foreign diplomats say.

A military colleague of the younger Mr. Castro was recently put in charge of a major ministry, and other allies have been named to the streamlined Communist Party Central Committee and its Politburo.

Those and other recent developments suggest, a diplomat here said, "that Fidel has finally begun to prepare for the day when he will no longer be on stage."

Another diplomat said: "Above all, Fidel wants continuity and an orderly transition. He is certainly not ready to abandon power any time soon, but he wants to be sure the house is in order when that day comes, and he thinks the best way to do that is to gradually expand Raul's responsibilities."

Though never discussed in Cuba's state-controlled press except to accuse Cuba's enemies of fomenting disinformation, the question of Fidel Castro's health and succession has become a subject of much speculation here.

The Cuban leader has appeared thinner and grayer in public appearances over the last year, including during the recent visit of Pope John Paul II, and his speech is slower.

At 66, Raul Castro is five years younger than Fidel. There is also a third brother, Ramon, the eldest. Although he won a legislative seat in elections last month, Ramon is not a significant factor in party or government affairs.

Raul Castro has been his brother's most trusted confidant and second in command since the two came to power in 1959; he currently occupies the key posts of defense minister and deputy general secretary of the Communist Party. But it was not until the party congress held in October that Fidel Castro formally designated Raul as his successor as Communist Party leader.

Fidel Castro is also president of the country and commander in chief of the armed forces, and it is assumed that Raul would inherit those positions as well.

"We have to guarantee the revolution," Fidel Castro said in his closing speech to more than 1,500 party delegates.

In addition, the Cuban leader referred to his younger brother as his *relevo*. The term has a primarily military meaning, that of a new commander, but is also applied in baseball to describe a relief pitcher.

"Raul has more youth and more energy than me," the Cuban leader said. "He has more time ahead of him."

Since the October congress, Raul Castro has taken on a role that is more visible and more varied.

In November, he embarked on his first publicly acknowledged trip abroad of this decade, making a two-week tour of China to acquaint himself with economic changes there and, with details of the Pope's visit to Cuba then being worked out, stopping in Rome on his way back to meet with Vatican officials and to tour the Sistine Chapel.

Certain other officials close to Fidel Castro have also seen their roles gradually expand in recent times. The economy czar, Carlos Lage, for instance, now supervises much of the day-to-day administration of government.

But to the United States, any government that Raul Castro might head is merely an extension of the current one-party state. The Helms-Burton Act of 1996, which widened U.S. economic sanctions against Cuba, specifically states that the embargo, now 37 years old, will be rescinded only when "a transition government in Cuba is in power," one that "does not include Fidel Castro or Raul Castro."

At a news conference here last week, Michael Ranneberger, director of the State Department's office of Cuban affairs, minimized the importance of Raul Castro's enhanced role and discounted the prospect of any shift of policy if he should take power. "The Cubans have made clear for some time that that was the plan," he said.

But Latin American and European diplomats here say they detect certain subtle differences of approach and attitude between the two brothers. Raul, they maintain, is more pragmatic than Fidel on economic issues, but perhaps even more dogmatic on ideological questions.

Even as young men, the diplomats point out, Raul Castro was drawn earlier and with more conviction to the principles of the Communist Party.

But Raul Castro is also said to have pushed for economic reforms in 1993, when the economic crisis that followed the collapse of the communist bloc and the loss of Soviet subsidies threatened to bring Cuba to its knees.

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EUROPE

Legal Ethnic Cleansing Keeps Sarajevo Muslim

Laws Hinder Return of Minority Refugees

By R. Jeffrey Smith
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Several times a month, Borislav and Dusanka Birg walk past their apartment in this city and sadly shake their heads. Having fled on the eve of war in 1992 with just one piece of luggage, they have been trying to reclaim their home for more than two years.

Of Croatian and Serbian descent in a city that is now 87 percent Muslim, the Birgs have run into a mass of red tape and not-so-subtle discrimination from local authorities. Their application to reclaim their home was refused, their appeal was ignored, and when they tried to occupy their apartment anyway, soldiers briefly choked Dusanka Birg and then ejected the couple.

The two-bedroom unit is the only vacant one of 12 in a refurbished building. Its dark windows and decrepit interior, foreign officials here say, are symbolic of the Bosnian government's failure to implement repeated pledges to foster the rebirth of a multiethnic society. As one United Nations official who has been pressing for action asserted, the city is tough on Dusanka "because she is a Serb."

"It's goal is to keep them from coming back," he added.

An examination of the Birg case and many similar ones suggests that, by wide consent, ethnic cleansing in this country continues — except that it is now accomplished by legal means instead of armed conflict.

After the war ended in 1995, the two newly established political entities in Bosnia — the Serb Republic and the Muslim-Croat federation — each enacted laws and regulations meant to freeze communal concentrations and obstruct the return of minority refugees to their prewar homes.

The effort has been largely successful. Less than 9 percent of the 400,000 refugees who have returned to their homes since 1995 are minorities in their immediate communities. As a result, postwar migration patterns have mostly reinforced the war's impact, complicating the West's aim of turning back the clock to prewar integration.

Foreign frustration with these obstacles has reached a boiling point. At U.S. urging and with the support of the international community's high representative in Bosnia, a one-day conference will be convened here Tuesday to spotlight the failure of the government to allow — much less promote — minority resettlement.

The conference will set a series of short deadlines for the government to adopt new laws, resolve dozens of housing disputes and permit thousands of minority refugees to return to Sarajevo. To ensure that the message is heard, U.S. and European diplomats at the conference also plan to threaten a cutoff of tens of millions of dollars in aid to Sarajevo if the deadlines are not met.

The goal is to make a showplace of the capital city, whose prewar population was roughly 50 percent Muslims, 27 percent Serbs, and 7 percent Croats.

"Sarajevo is what it's all about," said Andy Bearpark, a British diplomat who is deputy high representative for reconstruction and return. "If you get that right, you get a multiplier effect. This conference is meant to raise the political temperature."

The principal obstacle to allowing minority refugees to return is a 1995 Bosnian law that gave former residents two weeks to reclaim their homes after the Dec. 22 cease-fire that year, a tight deadline at a time when factional hostility was still high. If they did not meet it, their property was declared abandoned and given to someone else. Because the law was never publicized outside the country, hundreds of thousands of minority refugees are now without legal recourse.

The Bosnian Parliament has also voted to deny refugees the right to return to thousands of apartments owned by the Yugoslav Army before the war by nullifying contracts for the sale of those apartments to their prewar inhabitants. The Bosnian Army has declared many of the apartments abandoned and transferred them to favored war veterans.

UN aid workers here can pick off dozens of cases of Serbs or Croats shunned by arbitrary regulations, such as that of one man whose documents were not accepted because they were in the Cyrillic lettering commonly used by Serbs. Many were barred because they appeared on the wrong day to pick up keys; others were told officially that their homes were uninhabitable, even though they were occupied by Muslims.

"People are asked to run after documents and papers for which there is no basis in the law," said Pandurevic Mladen, vice president of the local Serbian Civic Council. "When we find out and make pressure, they back off but always make up something else."

The Bosnian government "has basically closed" Sarajevo through its property laws and has been "dancing around" to avoid amending those laws, said the U.S. special envoy on Bosnia, Robert Gelbard, who conceived the conference.

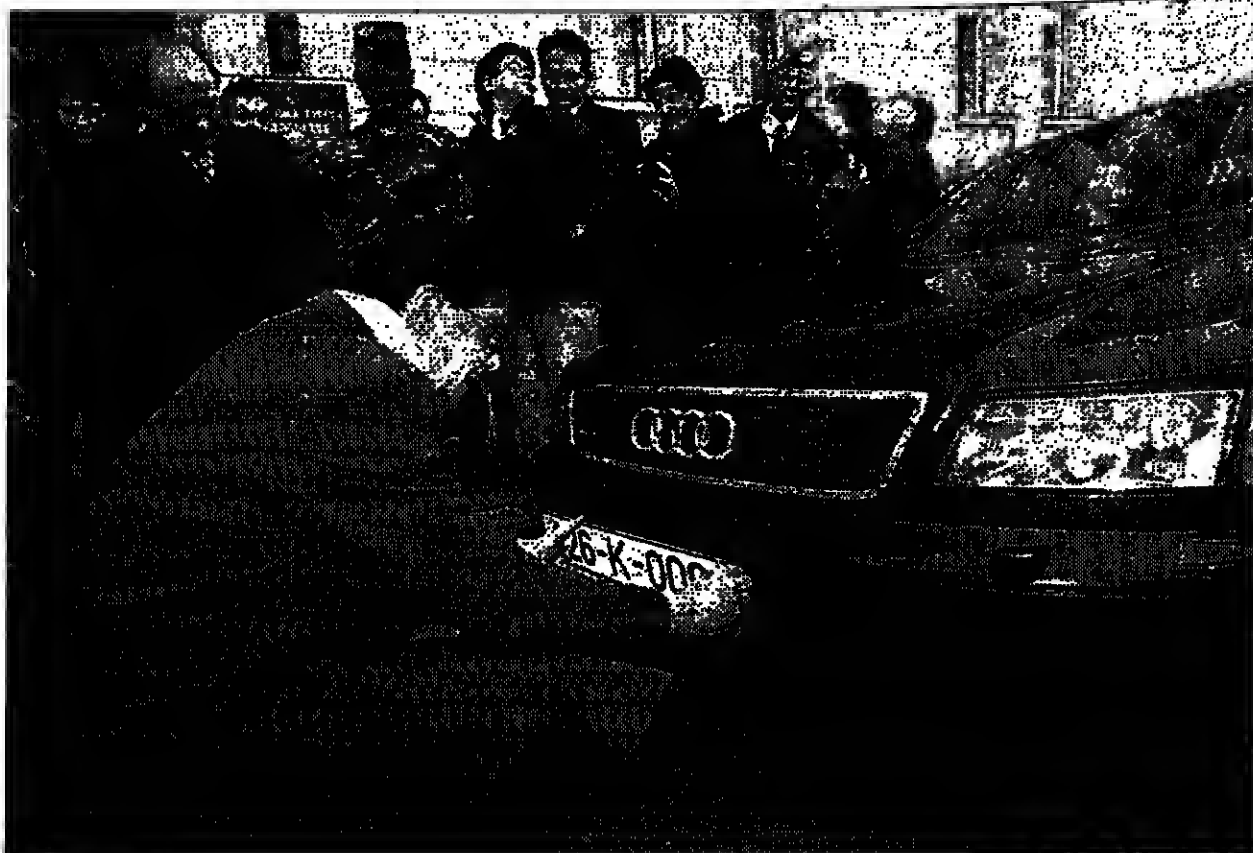
Government officials here acknowledge making mistakes, but say that UN and American officials exaggerate them. Mirza Hajric, an adviser to President Alija Izetbegovic, said housing disputes had arisen from government inefficiency and because there were simply not enough apartments.

"The problem is that 30 percent of the housing was destroyed and 15,000 foreigners are living here" to administer aid programs, Mr. Hajric said.

He conceded, however, that the squeeze resulted in part from the fact that multiple dwelling units have come under the control of owners who had just one unit before the war.

One such case involves Margarit Tomik, a well-known singer from Sarajevo. She left during the war to perform benefit concerts. When she returned a senior aide to Mr. Izetbegovic had taken over her apartment and her art collection.

"That story has been around and around," said Mr. Hajric. "I agree it is a horrible case, but all these human-rights people talk about the same cases, and it seems like there are more" than really exist.



Hans Schumacher, deputy UN envoy for Bosnia, adjusting new plates Monday on a car of the Serb Republic in Banja Luka. The plates do not indicate the vehicle's origin, which is expected to aid freedom of movement.

Money-Laundering: Now Global, and Piling Up

By Jack Nelson
Los Angeles Times

LONDON — John Moscow, the hard-driving, tough-talking assistant district attorney for New York, sent shivers through British financial circles last year when he declared here that his office might begin filing criminal charges against overseas bank employees who fail to spot and report money-laundering schemes involving U.S. and foreign banks.

British banking executives fumed. The New York prosecutor, they said, had no right to threaten citizens and institutions of other countries. The British Bankers Association and individual bankers accused the United States of arrogantly assuming extraterritorial powers.

But the Bank of England warned British financiers that, whatever they might think about it, the uncompromising U.S. attitude toward money-laundering was a fact they would ignore at their peril.

The bank's refusal to side with British bankers was not as surprising as it might seem. Money-laundering — manipulating money to disguise its criminal origins — has become global in scope.

Once confined to Switzerland and the Caribbean countries, cleansing the fruits of crime has become a highly profitable growth industry almost everywhere. And everywhere money is laundered, honest businesses and government institutions are contaminated, experts say.

"With money-laundering, dirty money flows downhill," said Stanley Morris, director of the U.S. Treasury's Financial Crimes Enforcement Net-

work. And it brings organized crime and other problems with it, he added.

Part of the difficulty in combating money-laundering is simple human greed. For unscrupulous bankers, the temptation to reap profits by servicing the enormous amounts of money gushing from drug trafficking and other crim-

inal activity can prove irresistible.

More than that, the issue can seem remote to the public. The weapons used against money-laundering are the dusty tools of book-keeping and financial reporting — not high-tech gadgets or eye-catching SWAT team raids.

A larger problem, officials say, is that the steps needed to detect and thwart money-laundering collide with long-established rules and deeply ingrained attitudes inside the banking industry about customers' privacy. Bankers tend to balk at looking too closely into the activities of their customers.

"I'm not looking for a squabble," Mr. Moscow said, but "money-laundering is a problem and banking secrecy is a big thing. There are some people who think there should be banking secrecy and no questions asked. I disagree."

Mr. Moscow admits that London and other overseas financial centers are only

part of the problem. "I'm not conceding the money-laundering title to London. We do more of it in New York," he said. "But we're not going to tolerate our bad guys moving money from New York to London banks and using that to say they are out of our jurisdiction."

His comments came a day after a survey was published showing that, in London alone, one in five bank or other financial officers responsible for reporting suspicious transactions had received inadequate training to meet obligations to do so.

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received inadequate training to meet legal obligations to do so.

As the problems spawned by illegal money multiply, however, pressure to change attitudes is mounting as well. And the American prosecutor's threat, which reflects an increasingly tough U.S. attitude toward money-laundering, is beginning to be taken seriously by British bankers. Since his remarks, Mr. Moscow said, his office "absolutely has received more cooperation from London banks."

If U.S. officials see growing recognition of the problem and greater willingness to adopt new strategies against it, they say problems remain. For example, Mr. Moscow said that "the position of the Swiss banks, that they are outside our jurisdiction even when they have branch

banks in New York, is unacceptable."

Britain has particular problems. By some estimates, as much as \$500 million generated by criminal activities — notably drug smuggling and Russian organized crime — pulses through London financial institutions daily. And British police officials say the presence of so much dirty money is corrupting the country's law enforcement agencies.

"Money has been pouring into London from Russia and Eastern Europe, and it's estimated that about \$500 million is being laundered in the city at all times," said Bryan West, vice president of Citibank and former superintendent of the London Metropolitan Police.

British banks and financial institutions are required to report suspicious financial transactions to the National Criminal Intelligence Service, which plays a major role in combating money-laundering in Britain. The number of disclosures per year has increased from 600 when it came into being in 1987 to 16,125 in 1996. Officials estimate that 1997 disclosures totaled more than 18,000.

Police officials here have expressed concern that the presence of so much "dirty money" is having a corrupting influence on the London police. Before retiring recently as director-general of the National Criminal Intelligence Service, Albert Pacey warned that millionaire criminals increasingly were trying to corrupt or compromise the city's detectives.

A huge increase in the smuggling of heroin, mostly from Turkey and Northern Cyprus, has been responsible for much of the dirty money in London.

German States Ponder Policy Of Deportation Of Algerians

Reuters

BONN — A plan to halt deportations of Algerian refugees from Germany to their homeland appeared unlikely to gain the necessary support from state interior ministers meeting in Bonn on Monday.

Some of Germany's 16 states earlier this month placed a temporary ban on deporting Algerians after the recent escalation of violence in the North African country.

But unless the temporary ban is translated into a formal, nationwide halt in deportations at the meeting of state ministers, it expires immediately and individual states will no longer be able to delay deportations.

The large southern state of Bavaria said before the talks it would not give its support to the plan, instead backing the line taken by the federal authorities in Bonn, that deportations must continue on a case-by-case basis.

The Bavarian interior minister, Günther Beckstein, said Germany would become "the No. 1 refugee country" if a blanket ban on deportations was agreed.

Germany "would yet again take the full burden," Mr. Beckstein said in a radio interview, referring to Bonn's acceptance of some 350,000 refugees from Bosnia, more than the number taken in by the rest of the European Union put together.

Germany has an Algerian population of around 17,500.

U.S. Toll Report Denounced

Algeria on Monday denounced a State Department report that claimed 70,000 had died in the Algerian violence since 1992, saying the report was flawed by a "notable lack of exactitude," Agence France-Presse reported from Algiers.

An Algerian Foreign Ministry spokesman quoted by the official APS press agency said the actual death toll from the violence was 26,536.

BRIEFLY

Greek Farmers Block Highway

ATHENS — Farmers moved to block Greece's main north-south highway with thousands of tractors Monday to protest the government's economic austerity program.

In a parallel protest, civil servants staged a rally outside Parliament in Athens to oppose a new law that will slash pay benefits.

The two sets of protests were part of a wave of anti-government strikes that have engulfed Greece for more than a week. (Reuters)

Madrid Reports Arrests of ETA Unit

MADRID — The Interior Ministry said Monday that it had broken up the support network for a unit of the separatist organization ETA after a series of arrests last week.

Nine people arrested last Tuesday in raids across northern and eastern Spain were directly or indirectly linked to attacks by the Vizcaya unit of ETA, the ministry said in a statement. ETA is a Basque-language acronym for Basque Homeland and Liberty.

The arrests had "almost totally" broken up the Vizcaya commando, the statement said. (AFP)

Britain to Reduce Blood-Alcohol Limit

LONDON — The British government said Monday that it planned to introduce harsher laws against drunken driving in a bid to reduce the more than 500 alcohol-related deaths that occur annually on the country's roads.

Among the measures being considered is a reduction of the drink-drive limit to the equivalent of about a pint of beer or two small glasses of wine.

The cut to 50 milligrams of alcohol per 100 milliliters of blood from the current 80 milligrams, might spare 50 lives and about 250 serious injuries annually, the government said in a document. The document also suggested an increase in the powers of the police to stop vehicles and test drivers. (Reuters)

Vatican to Examine Vienna Sex Case

VIENNA — The archbishop of Vienna who resigned in 1995 amid a battery of sex allegations faces a Vatican inquiry, his successor said.

Hans Hermann Groer, 78, who had been archbishop since 1986, faces charges he sexually molested several people in the 1960s and 70s when he was a church official and theology teacher.

The new archbishop, Christoph Schoenborn, confirmed Sunday that the Vatican would "soon" carry out an investigation.

After resigning, Monsignor Groer withdrew to a Benedictine abbey and kept a strict silence about the charges. The affair resurfaced last week when fresh charges of sexual abuse were leveled at him. (AFP)



President Vaclav Havel and his wife Dagmar, behind him, greeting well-wishers Monday outside Prague Castle.

Havel Is Sworn In for Final Term in Prague

Reuters

PRAGUE — President Vaclav Havel was officially sworn in for his second and final five-year term of office on Monday at a special joint session of Parliament.

After the brief ceremony in the medieval Vladislav Hall of Prague Castle, attended by Prime Minister Josef Trosky and his government, a 21-gun salute echoed across the city.

Mr. Havel, 61, a former dissident playwright, was narrowly re-elected by Parliament on Jan. 20. He needed two

rounds of voting in the joint session to secure victory, eventually polling 99 votes, a majority of one among the 197 deputies present.

Under the constitution, this must be his last term. The ceremony was boycotted by both the far-right Republican Party and by the Communists, but many other legislators were also absent.

The Republicans are challenging the validity of Mr. Havel's election in the constitutional court. The party's leader, Miroslav Sladek, ran against Mr. Havel but was not allowed to vote as he was in jail, awaiting trial on charges of spreading racial hatred.

Mr. Havel, who led the "Velvet Revolution" in 1989 that overthrew Communist rule in the former Czechoslovakia, has championed Czech efforts to join the North Atlantic Treaty Organization and the European Union.

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French Dismiss Car Videotape in Diana's Death

Agence France-Presse

PARIS — French detectives expressed strong reservations on Monday about videotape pictures published by British newspapers of a white car they said might have been involved in collision with Diana's Mercedes shortly before the Princess of Wales was killed on Aug. 31.

The Mirror and the Daily Mail pub-

lished pictures of a white Citroen AX parked outside the Ritz Hotel in Paris on the night Diana died, saying it could be the "mystery" car French prosecutors have been searching for.

But the police here said Monday that only a white Fiat Uno could have been involved, in view of the technical examinations that had been carried out, and said the video was "very vague."

The Mirror and the Daily Mail said the pictures of the four-door Citroen AX had been taken by an Australian couple on holiday in the French capital.

Both papers said the car had chased a decoy Mercedes car similar to the one in which Diana was killed. They raised the possibility that the car could have realized it was chasing a decoy and switched to the one carrying Diana.

Handwritten text in Arabic script: "البيان ٢٠١٨/٢٠١٩"

ASIA/PACIFIC

Airliner Is Missing In the Philippines

Crash of Cebu Pacific DC-9 Feared

Compiled by Our Staff From Dispatches

CAGAYAN DE ORO, Philippines — A Philippine DC-9 aircraft with 104 people aboard disappeared Monday, and an airport official said it appeared to have crashed into a volcano on Mindanao island.

Ten hours after the plane's disappearance, airline officials would not acknowledge that it had crashed. But mountain rescuers set off at the 8,200-foot (2,485-meter) Mount Balatukan to look for Cebu Pacific flight 387.

The Cebu Pacific plane was on a flight from Manila to Cagayan de Oro, about 800 kilometers (500 miles) south of the capital, when it disappeared after a stopover at Tacloban.

Philippine Air Force helicopters failed to see any sign of the plane before bad weather forced them to halt the search.

"I think we are 80 percent sure that that is the crash site," said Artemio Garcia, chief air traffic controller at Cagayan de Oro airport.

He said residents of a village on a foothill of the volcano had reported hearing "a very loud explosion" near the mountains' summit shortly before 11 A.M., about the time the plane was last heard from.

Airline officials said the plane radioed ground control at 10:48 A.M. — 12 minutes before it was to land — to say that it was preparing its descent to Cagayan de Oro airport.

Local officials in nearby Claveria later reported seeing smoke coming from what they believed was the crash site.

But the commander of the air force search team, Colonel Chris Danu, said in Cagayan de Oro that it had seen no

signs of a crash. The search was to resume Tuesday.

Cebu Pacific's general manager, Diego Garrido, asked about reports that the plane had struck a mountain, said, "It is a possibility but we cannot confirm that."

The manager of Cagayan de Oro's airport, Amuril Duran, said there was cloud buildup at the time the plane was to have landed.

The plane carried 99 passengers, including five children, and five crew members, airline officials said.

"There are about four or five foreign-sounding names on the manifest and possibly one Japanese," Mr. Garrido said, adding that two of the passengers had been confirmed as foreigners.

Airline officials said the Cebu Pacific plane made its last contact Monday when it was at 11,000 feet and 37 nautical miles from Cagayan de Oro.

It was also in radio contact at the time with two other commercial planes flying over the area.

One airport worker told investigators that the Cebu Pacific plane's pilot and the pilot of one of the other planes "were speaking casually" to each other.

Cebu Pacific, which began operations in March 1996, is one of several new airlines established after the Philippine government deregulated the aviation industry a few years ago. The airline, owned 49 percent by J.G. Summit Holdings, has had no previous accidents, airline officials said.

The last major air accident in the Philippines occurred in June 1987, when a Philippine Airlines plane crashed in the northern part of the country, killing about 50 people.

(Reuters, AP)

Queen Aside, Australians Start to Shape a New Republic

The Associated Press

CANBERRA — Australians opened a constitutional convention Monday on whether their nation should become a republic, with most delegates determined to drop Queen Elizabeth II as head of state.

Even Prime Minister John Howard, who is staunchly monarchist, said in opening the assembly that "the symbolism of Australia sharing its legal head of state with a number of nations is no longer appropriate."

Australia has been independent since 1901, but like many other Commonwealth nations still recognizes Britain's queen as its head of state. Republicans want constitutional change so the nation can choose its own head of state, and opinion polls show more than half of Australians agree.

Mr. Howard is opposed to a republic but promised in an election campaign that he would put any republican model favored by the convention to a national referendum by the end of 1999.

That could allow an Australian head of state to open the Summer Olympics in Sydney in 2000.

What the convention must do is sort out how the nation can become a republic without upsetting the system of checks and balances on power that most Australians already favor.

More than 150 delegates, half elected, half appointed, gathered Monday for the two-week debate at the Old Parliament House, where the chairman sat in an English oak throne that was a gift from the British Parliament.

Behind the throne was Australia's flag, one-fourth of it devoted to the Union Jack.

Monarchists insist the current system of government has preserved the nation's democracy and prosperity since it became independent. Republicans say it is absurd that no Australian can hope to become head of state since the post is reserved for Britain's monarch.

The queen's representa-

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The queen's representa-



Mr. Howard, left, talking with the convention's republican deputy chairman, Barry Jones, on Monday.

tion, the governor-general, functions. The governor-general is nominated by the prime minister and appointed by the British monarch.

Even though at least 78 of the convention's 152 delegates favor having a republic, they are deeply divided over what they want the government to look like and could still face defeat.

"Those who oppose change should say why," Mr. Howard declared Monday. "Those who want change should not only say why, but should clearly articulate what kind of republic they want."

Proposals range from a system like that in the United States, with a powerful, elected president to a "minimalist republic" with Parliament appointing a ceremonial head of state.

Malcolm Turnbull, head of the Australian Republican Movement, said Monday: "We think it's been a very successful day. It's clearly a broadening of the support for a republic."

Earlier Monday, he had warned that republicans must unite on a practical, popular model.

"If the delegates," Mr.

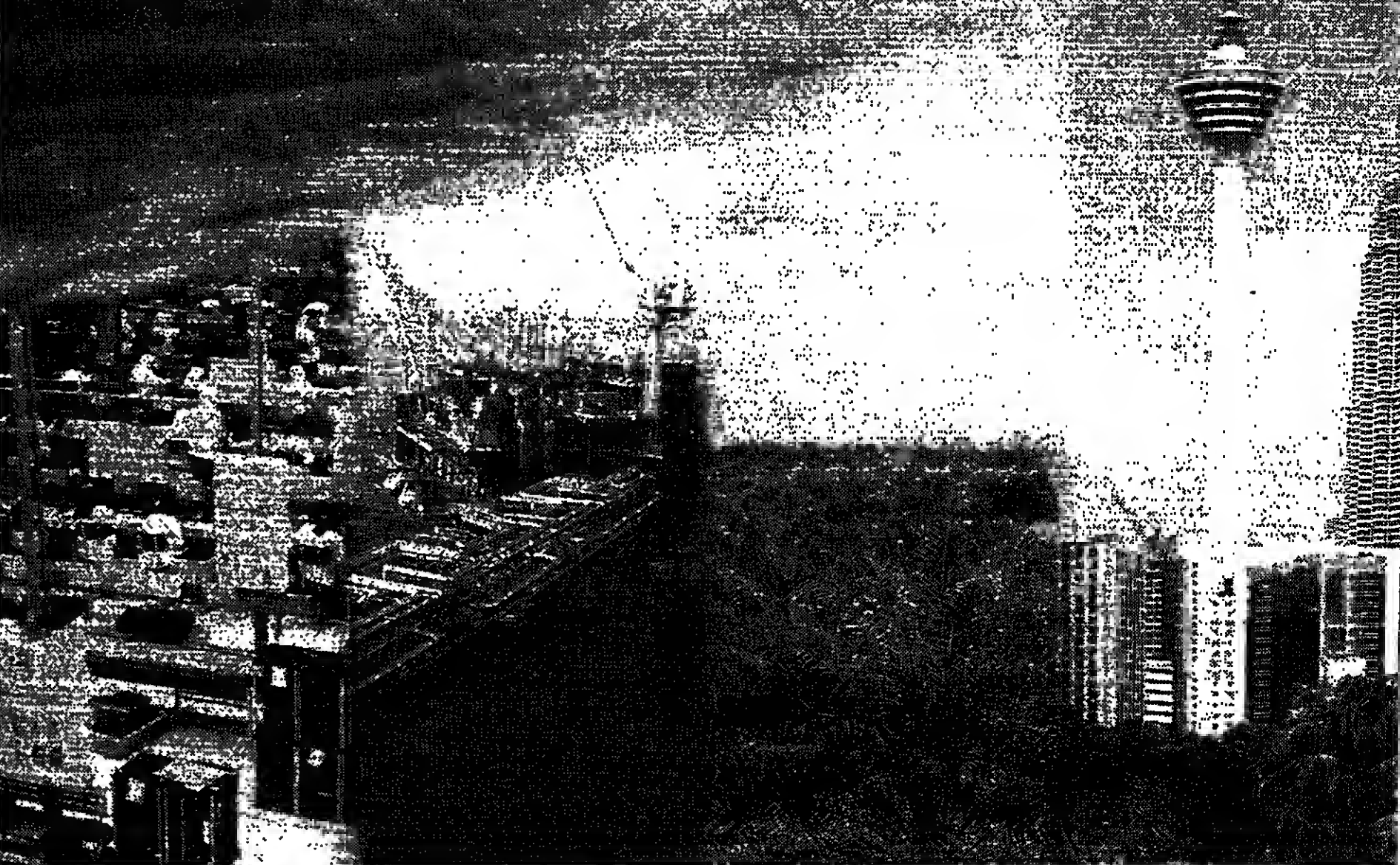
Turnbull said, "fail to work in an open-minded constructive fashion and fail to do the job the Australian people have asked them to do, then the move to a republic will be delayed."

Mr. Turnbull's group prefers the "minimalist republic," but recent polls show up to 73 percent of Australians want the right to elect a president.

Monarchists say that although the governor-general has extraordinary power, including acting as commander of the armed forces and having the right to dismiss High Court justices, in practice he acts only on the recommendations of the elected government.

But in 1975, Governor General John Kerr dismissed Prime Minister Gough Whitlam without consulting the queen after the government and the Senate deadlocked on a budget bill. That notable exception traumatized Australians and revived debate on becoming a republic.

Why the dark clouds of economic uncertainty will soon blow over.



There have been dark clouds hovering over Malaysia lately. One such cloud has cleared... the haze. Yet when we were about to enjoy blue skies again, another dark cloud set in... economic uncertainty.

We Malaysians, however, expect this to clear too. In due time. With an optimism that is borne out of four decades of incredible economic growth the world has been witness to.

With the perseverance to make changes and sacrifices. With the wisdom of solid economic fundamentals to see us through. With the determination to do everything for the economy to bounce back.

And bounce back we will. How can we be so bullish about it? Because we've overcome other adversities before. And we'll do it again.

MALAYSIA
Bullish on Bouncing Back

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BRIEFLY

Hun Sen Foes Are Released

PHNOM PENH — United Nations human-rights workers said Monday that they had obtained the release of seven political opponents of the Cambodian strongman, Hun Sen.

The seven were arrested and illegally detained in southern Koh Kong Province. A UN official called the detentions "political arrests" aimed at "stymieing opposition" and intimidating activists in the runup to national elections.

Two of the seven are women and members of the party of the ousted prime minister, Prince Norodom Ranariddh. They were arrested Dec. 29 and held at a military base in Koh Kong, 200 kilometers (125 miles) southwest of Phnom Penh, a UN human-rights worker said. Five men, all Ranariddh supporters who were trying to return to Cambodia via the Gulf of Thailand, were arrested Jan. 21 and kept under guard in a house in Koh Kong, the rights worker said. (AP)

China Detains 4 Poets for 'Plot'

BEIJING — Chinese security authorities have detained four poets in southwest China for allegedly plotting to overthrow the government, a source familiar with the case said Monday.

The four — Ma Zhe, 38; Wu Ruohai, 35; Xiong Jinren, 32, and Ma Qiang, 28 — were detained in Guiyang, capital of Guizhou Province, on Jan. 26 and 27.

Security authorities told the family of one of the poets that the four faced charges of plotting to overthrow the government, the source said. "This is impossible," the source said. "It's ridiculous." (Reuters)

Manila and Rebels Set Accord

MANILA — The Philippine government and Communist rebels have concluded a human-rights accord, the first breakthrough in peace talks aimed at ending one of the world's longest Marxist insurgencies, a rebel leader said Monday.

The accord will be signed Sunday in the Netherlands, where the talks have been proceeding sporadically since 1992, said Jose Maria Sison, the rebels' chief political consultant. Two related agreements will also be signed.

The accord, called the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law, is the first of four agreements the two sides hope to reach in a political settlement ending nearly three decades of insurgency. Details of the agreement, which commits both sides to respect human rights, were not immediately made public. (AP)

Burmese-Thai Clash Over Isle

BANGKOK — Burmese troops fired on a Thai military plane that flew near a disputed island, the Bangkok Post reported.

Both countries have soldiers on Manao Island, a small island in the Moei River that separates the Thai town of Mae Sot, 370 kilometers (230 miles) northwest of Bangkok, and the Burmese city of Myawaddy.

Mounting friction between the two countries over the island threatens to turn into the first armed confrontation between members of the Association of South East Asian Nations.

General Cheta Thanajaro, the Thai Army commander in chief, called for a mutual withdrawal of troops from the island, the Nation newspaper reported. It was not known how many soldiers either side has stationed there. (AP)

For the Record

Twelve Japanese wives of North Koreans left Tokyo on Monday after a brief visit for their first family reunion in nearly four decades. It was the second visit of its kind. The first group of wives was allowed to come to Japan from North Korea in November after years of talks between Tokyo and the Communist state. (AP)

German States Ponder Policy Of Deportation Of Algerians

Reuters

BONN — A plan to halt deportations of Algerian refugees from Germany's homeland appeared unlikely to gain necessary support from state ministers meeting in Bonn on Monday.

Some of Germany's 16 states earlier this month placed a temporary ban on deporting Algerians after the recent outbreak of violence in the North African country.

But unless the temporary ban is transformed into a formal, nationwide halt, deportations at the meeting of state ministers, it expires immediately and individual states will no longer be able to delay deportations.

The large southern state of Baden-Wuerttemberg would not give support to the plan, instead backing a law taken by the federal authorities to set a case-by-case basis.

The Bavarian interior minister, Gerd Beckstein, said Germany would blanket ban on deportations was agreed, "the No. 1 refugee country."

Germany would yet again take the burden, Mr. Beckstein said in an interview, referring to Bonn's acceptance of some 350,000 refugees from Bonn more than the number taken in by the of the European Union put together.

Germany has an Algerian population of around 17,500.

U.S. Toll Report Denounced

Algerian Minister denounced the Department report that claimed 900 had died in the Algerian violence since 1992, saying the figure was "absurdly high" and "unjustified."

Algerian Foreign Minister Mohamed Spektor said the official news agency "will not discuss the report."

BRIEFLY

Greek Farmers Block Highway

ATHENS — Farmers blocked a highway with a protest against the government's plan to privatize the country's roads.

The farmers said they would continue to block the highway until the government withdrew the plan.

The plan would allow private companies to build and operate new roads, while existing roads would be sold to private companies.

The government said the plan was necessary to attract foreign investment and to improve the country's infrastructure.

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Madrid Reports Arrests of ETA Unit

BARCELONA — Spanish police arrested four members of the Basque separatist group ETA in Madrid on Monday, according to a police spokesman.

The four were arrested after a police raid on a flat in the city. They were charged with planning an attack on the Spanish government.

The ETA group has been responsible for a series of bombings and assassinations in the Basque region of Spain.

The Spanish government has vowed to continue its fight against the group until it is completely eradicated.

The arrested individuals are being held in custody and are facing charges of terrorism.

The police spokesman said that the arrests were part of a larger operation to dismantle the ETA network.

The group has claimed responsibility for the arrests, saying they were a warning to the Spanish government.

The Spanish government has said that it will not negotiate with the group until it renounces violence.

The arrests have led to a renewed sense of security in the Basque region.

The Spanish government has said that it will continue to work towards a peaceful resolution of the conflict.

The ETA group has said that it will continue its struggle for independence.

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INTERNATIONAL

Fearing Iraqi Attack, Israel Readies Missiles

Reports Say Government Is Asking U.S. For Defenses Against Biological Weapons

By The Associated Press

JERUSALEM — Preparing for a possible Iraqi attack, Israel set up a task force on Monday to coordinate any bombing and immediate defensive measures against an Iraqi biological attack, according to officials from both countries.

Mr. Netanyahu asked Secretary of State Madeleine Albright over the weekend for several days' warning of any bombing and immediate defensive measures against an Iraqi biological attack, according to officials from both countries.

Mrs. Albright, in turn, probed intentions on the manner and scale of Israel's reprisal should Iraq respond to American bombing with a counterattack against the Jewish state. Both nations reprised a delicate dialogue that accompanied the 1991 Gulf War, when Iraq sought to redraw the war's political map by firing missiles at Israel and the administration of President George Bush persuaded the Israeli government to hold return fire.

American officials familiar with the Netanyahu-Albright exchange maintained a carefully ambiguous position on whether the Clinton administration had asked that Israel forgo retaliation in case of Iraqi attack. The president's foreign policy advisers do not wish to be seen as depriving a close ally of its right to defense, but officials said they are worried that any Israeli reprisal would substitute an Arab-Israeli conflict for the American-crafted line-up of Iraq against the world.

Senior Israeli officials said they alone would decide how to defend themselves, but did not specify the means.

"Israel's policy would be such that its national security and defense interests will be protected," Uzi Arad, a former Mossad intelligence analyst who is Prime Minister Netanyahu's diplomatic adviser, said in an interview. "It stands to reason that Israel will respond according to its own judgment of those interests."

Israel is asking for two or three days of warning before the U.S. Central Command launches any air attack on Iraq, officials said.

There are direct links already for secure voice and data transmissions between the U.S. operations directorate and its Israeli counterpart, and between Defense Secretary William Cohen and his Israeli counterpart, Itzhak Mordechai.

The Pentagon has also given Israel a real-time link to data from high-altitude satellites that detect the launching of missiles. That link dispenses with the need for telephone notification and, when created during the Gulf War, gave Israel several minutes to prepare for each of the 39 Scud missiles Iraq fired at the Jewish state.

Mr. Mordechai is said to have used his "hot line" link to Mr. Cohen last week to discuss a list of urgent Israeli needs in expectation that conflict with Iraq was growing near.



Making their own preparations for war: Iraqis chanting anti-American slogans at an army training camp in Baghdad on Monday.

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Africa's Newest Leaders

They Seem Less Corrupt but Still Authoritarian

By Stephen Buckley
Washington Post Service

KAMPALA, Uganda — It was no coincidence that a recent meeting between the World Bank president, James Wolfensohn, and a dozen African leaders and top government officials was held in this easy-going, sun-kissed capital.

The president of Uganda, Yoweri Museveni, has become a darling of such major international donors as the World Bank and the United States. His economy is thriving, and he appears serious about battling corruption. On her recent trip to East and Central Africa, Secretary of State Madeleine Albright called him "a beacon of hope."

In fact, Mr. Museveni is seen as the godfather of what many believe is a new kind of leadership in East and Central Africa.

Admirers applaud these leaders — most of whom have held power less than a decade — as progressive and refreshingly independent. Critics attack them as a more sophisticated, smoother-talking brand of their authoritarian predecessors.

Those leaders include Prime Minister Meles Zenawi of Ethiopia; President Issaias Afewerki of Eritrea; Paul Kagame, the Rwandan vice president and defense minister; and President Laurent Kabila of Congo.

All but one of those countries had representatives at the Jan. 23-24 meeting.

Several characteristics mark these men, all of whom grasped power through rebellions. They have close relations with their major donors, drawing hundreds of millions of dollars in aid annually. They say they despise corruption. They woo the Western media.

And, perhaps most strikingly, they have rejected the doctrine of noninterference that African leaders embraced for decades.

The most salient example of the new eagerness to intervene was last year's seven-month rebellion that toppled the late dictator Mobutu Sese Seko of Congo, then known as Zaire.

No fewer than a half-dozen nations — Ethiopia, Eritrea, Zambia, Angola, Uganda, and, most importantly, Rwanda — had a role in bringing down Marshal Mobutu.

"People realize that what goes on in a country is not just a matter for people in that country," said one senior government official in Rwanda, calling the changes in East and Central Africa "momentous."

"States are very selective of when and where they intervene," the official said, adding that the changes "have not been influenced by Western countries" and preface a new era of African independence.

Others suggest that they were just as

dependent on the West as their forebears. Uganda, for example, will get \$750 million from donors this year, including \$250 million from the World Bank.

Some analysts argue, for example, that these new leaders appear concerned about corruption because the World Bank and other leading donors recently have begun to pressure them to address it.

"I've rarely seen African countries more dependent on the outside world," said Olara Otunnu, a Ugandan who heads the New York-based International Peace Academy.

Such former leaders as Julius Nyerere of Tanzania, Kenneth Kaunda of Zambia and Kwame Nkrumah of Ghana were more "intellectually independent," he added.

These men were disappointments. Disastrous economic policies doomed Mr. Kaunda and Mr. Nyerere. Corruption and greed overwhelmed Mr. Nkrumah.

It is far from clear that the new generation of leaders is committed to smothering corruption or nurturing stable democracies.

"New leaders, new style, old game," said Alison Des Forges of Human Rights Watch Africa.

"It's the same game, but it's played by people of greater finesse than their predecessors," Ms. Des Forges said. "They employ extremely subtle and effective use of the lessons of history and the guilt of the international community."

Mr. Museveni's "no-party" democracy worries many, and major donors believe creeping corruption could stunt Uganda's economic progress.

Mr. Meles of Ethiopia is accused of arbitrarily arresting hundreds of people and allegedly has fallen into the cronyism that has wrecked so many African regimes.

Some analysts say they believe that the Rwandan government is more corrupt than the one it toppled and that its army has made the country essentially a police state.

Mr. Museveni defends no-party democracy, which critics have contended is single-party rule by another name. He has said that such countries as Uganda — where memories of the dictator Idi Amin's ethnic purges remain fresh — are not ready for liberal democracy because it would reignite tribal tensions.

A proponent of the so-called Asian model of development, Mr. Museveni believes that in "preindustrial" societies, such as his, economic strength must precede democratic growth. His attention to Uganda's economy has made it among Africa's strongest this decade, with consistent growth rates of 5 percent and higher.

"Liberal democracy grows hand in hand with industrialization," he said. "Political change is the roof." He added, "The economy is the foundation."

UN Chief Seeks to Double Iraq's Oil-for-Food Sales

By Christopher Wren
New York Times Service

UNITED NATIONS —

Describing the widespread deprivation that international sanctions have caused in Iraq, Secretary-General Kofi Annan asked the United Nations Security Council on Monday to more than double the amount of oil that Baghdad is allowed to sell to pay for more food, medicine and the upkeep of its deteriorating infrastructure.

Mr. Annan's recommendation came as the Security Council was casting about for ways, short of military force, to get Saddam Hussein to back down from his refusal to give UN weapons inspectors unrestricted access to sensitive sites in Iraq. The secretary-general said that humanitarian assistance should not be linked to Iraqi compliance.

Secretary of State Madeleine Albright said Sunday that Washington was in general agreement with increased oil sales to improve the lot of the Iraqi people but that time was running out for a climb-down by Iraq that would avoid military action.

Mr. Annan said Monday that he was ready to intervene in the Iraqi crisis but warned Mr. Saddam to comply for the

sake of his people, Reuters reported. "I stand ready to offer my good offices for whatever purposes might be deemed helpful," he said after addressing the Security Council.

"I hope President Saddam Hussein and the Iraqi leadership will share the concern I am displaying today for the Iraqi people and have the wisdom to take the right decisions."

In his appearance before the Security Council to explain his formal report, Mr. Annan recommended that the present limit of \$2.14 billion in Iraqi oil sales every six months be raised to \$5.2 billion, or a total of \$10.4 billion a year. Mr. Annan described the current amount as "inadequate to prevent further deterioration in humanitarian conditions" among Iraq's 22 million citizens, whom he described as suffering from malnutrition, lack of sanitation, inadequate medical supplies and a looming blackout of the country's deteriorating electricity.

Mr. Annan told reporters later that increasing the amount of oil that Iraq could sell was "not a carrot" to persuade Iraq to let UN weapons inspectors into its palaces and other sensitive facilities.

He also indicated that the Iraqis had not been helpful in

facilitating the oil-for-food program. "We did not get the kind of cooperation we expected from the Iraqis," he said.

When asked why he did not pick up the telephone and talk personally to President Saddam, Mr. Annan replied wryly, "I tried once, but it's not easy to get through at the other side of the line."

Among other recommendations, Mr. Annan said that supplementary food should be provided for "a minimum target population" of 1.9 million Iraqis, including chronically malnourished children under 5, nursing mothers, pregnant women, hospital patients and internal refugees and returnees.

He said the present "food basket" provides just over 2,000 calories a day per person in Iraq, and that he proposed increasing this to 2,450 calories, with the quality also enhanced by adding more high-grade protein. The increase in protein, he said, would raise the cost of food items to more than \$1.5 billion from the present \$916 million.

Mr. Annan also told the Security Council that public health projects to address the acute shortage of medicine and hospital equipment, as well as the deterioration in hospitals themselves, would require an increase to \$367

million, from \$210 million.

The secretary-general identified other needs that the previous plan addressed only partly or failed to cover. He said \$370 million was immediately needed to rehabilitate and maintain the generation, transmission and distribution of electricity in Iraq, and that the total value of all such projects was more than \$7 billion.

Iraq's power generation facilities, he said, are operating at only 40 percent of capacity, and that in the three northern governorates, 1,000 transformers failed every month.

"The present level of funding cannot reduce this failure rate, much less replace the transformers that have already failed," he said.

"Under present conditions," Mr. Annan warned, "the rate of deterioration will continue to increase and, with it, the threat of a complete breakdown of the network. The humanitarian consequences of such a development could potentially dwarf all other difficulties endured by the Iraqi people."

In his report, Mr. Annan acknowledged "the exceptional and unprecedented complexity of the humanitarian program" adopted by the Security Council in April 1995, and said that it should not be confused with a de-

velopment program for Iraq.

The council's program is "a temporary measure to provide for the humanitarian needs of the Iraqi people, which is being implemented within the context of a sanctions regime with all its attendant political, psychological and commercial dimensions," Mr. Annan said.

Kuwaitis Still Nursing Hope of Revenge

By Douglas Jehl
New York Times Service

KUWAIT CITY — The scars in this tiny emirate on the Gulf from the seven-month military occupation by Iraq in 1990-91 have been covered over with a cosmetic luster that only deep pockets can buy.

Horrible oil fires from wells set ablaze by fleeing Iraqi troops were quickly extinguished. War-savaged buildings were rebuilt, and in a country blessed with 10 percent of the world's oil reserves, the capital city has been studded with examples of fresh splendor.

One by one, jarring war remnants that had been preserved as evidence of what the country had endured have been pulled from public view. At the Information Ministry, where a burned-out Iraqi tank stood at the main gate as recently as late last year, a placard now simply reads, "We will never forget."

Still, ordinary Kuwaitis say that their personal wounds are far from fully healed and that they still want revenge.

That sets Kuwaitis clearly apart from most other Arabs in the region.

Since the latest standoff between Iraq and the United Nations began in October, many Arab governments, including those that dispatched forces to the Saudi desert to battle Iraqi forces in 1991, have been sharp in counseling against renewed military action.

"These Arabs who are defending Iraq — do they remember the burning oil wells?" a Kuwaiti businessman, Abdullah al-Ahmed, 48, said angrily during a stroll along a freshly paved breakwater that extends into the Gulf. "Do they remember the seven months of occupation? Do they remember Aug. 2, 1990, the day the Iraqis invaded and set people running like animals to Saudi Arabia?"

The opposition to military action by Arab governments has until now severely constrained American options. Even Kuwait and Saudi Arabia, Iraq's principal adversaries, have not yet openly advocated a military approach.

Like other Arab governments, they have expressed worry that an American-led attack would be more likely to compound the misery of ordinary Iraqis than to do serious damage to President Saddam Hussein or his war machine.

But as Secretary of State Madeleine Albright has worked her way toward the region in recent days, an informal sampling of public opinion as well as private conversations with some top officials has underscored the emotion likely to translate into private, and perhaps overt, Kuwaiti support.

On a sunny holiday weekend marking the end of the Muslim holy month of Ramadan, a majority of ordinary Kuwaitis interviewed at parks, restaurants and other places across the sparkling capital suggested that their patience was wearing thin and that they would support action.

"Most of the people are wondering why the United States has been so willing to wait so long," said Eid Ibrahim Saidi, 40, a fire-fighting official. "They're saying the United States has waited too long, and so it's time to give Saddam a good shot now."

A senior Kuwaiti official said, "The bottom line of the whole thing is that we are allies, and we have a common enemy."

Even though Kuwait's population is just over 2 million, including 1.4 million foreign workers, the Kuwaitis acknowledge that it has been a long time since they felt any immediate fear about the intentions of their neighbor to the north, whose population is about 20 million.

Over the weekend, no one expressed the kinds of fits and starts that were evident during a crisis in October 1994, when Iraq moved forces close to the Kuwaiti border, causing the United States to scramble to dispatch military reinforcements.

In fact, diplomats here say, Kuwaiti officials have quietly been ordering the removal or repair of most of the remnants of war, apparently wanting to focus on the future.

But from a vantage point closer than that of any other country in the world, Kuwait has watched for more than seven years as Mr. Saddam has continued to defy the United Nations on sanctions and requirements put in place after the Gulf war. Among his acts of defiance has been his failure to provide full information about what Kuwaiti officials contend are more than 600 prisoners of war who may still be alive in Iraq.

And as the latest crisis enters its fourth month, the general mood in this country, among ordinary people as well as senior officials, appears to be that enough is enough. "For sure we have to stop him, because he is a murderer who has murdered his own people and people like us," said Mohammed Ali Hussein, 37, a father of five.

A small but significant minority of those interviewed, however, made plain their disdain for what they regarded as American muscle-flexing. Some echoed commentators across the Arab world, asking why the United States had been so insistent that Iraq meet its obligations to the United Nations while turning a blind eye to Israel.

Israel has defied UN resolutions, including those calling for it to turn over occupied land to the Palestinians in exchange for peace and to withdraw from the border strip of southern Lebanon that it maintains as a military buffer zone.



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OPINION/LETTERS

Justifying the Means:
Starr's Abuse of Power

By Anthony Lewis

BOSTON — Ten years ago Justice Antonin Scalia warned of the potential for abuse of power by an unaccountable independent counsel.

It was a dissent, and too few of us Americans paid attention to his warning. Now the potential is reality. Look at what Kenneth Starr has done in his pursuit of the Clinton sex allegations.

1. Last week Mr. Starr subpoenaed Robert Weiner of Howard County, Maryland, to appear before his grand jury in Washington. Why Mr. Weiner? Because he had said that his local prosecutor should prosecute Linda Tripp for taping telephone conversations with Monica Lewinsky without her permission. That is a felony under Maryland law.

Mr. Starr's excuse for that subpoena was that Mr. Weiner works as a press spokesman in the White House drug policy office. No one had told Mr. Weiner to do what he did. But in any event it was his right as a citizen to call attention to a violation of law — indeed his "obligation," the Supreme Court has said. For a prosecutor to haul someone before a grand jury on so thin a ground was an alarming abuse of power.

2. Mr. Starr has subpoenaed Francis Carter, who was Ms. Lewinsky's first lawyer, for records of his work on her behalf. The subpoena evidently seeks to violate the lawyer-client privilege, a basic

element of every American's right to counsel. Mr. Carter is a man of high reputation for integrity, and there is no showing of any impropriety on his part.

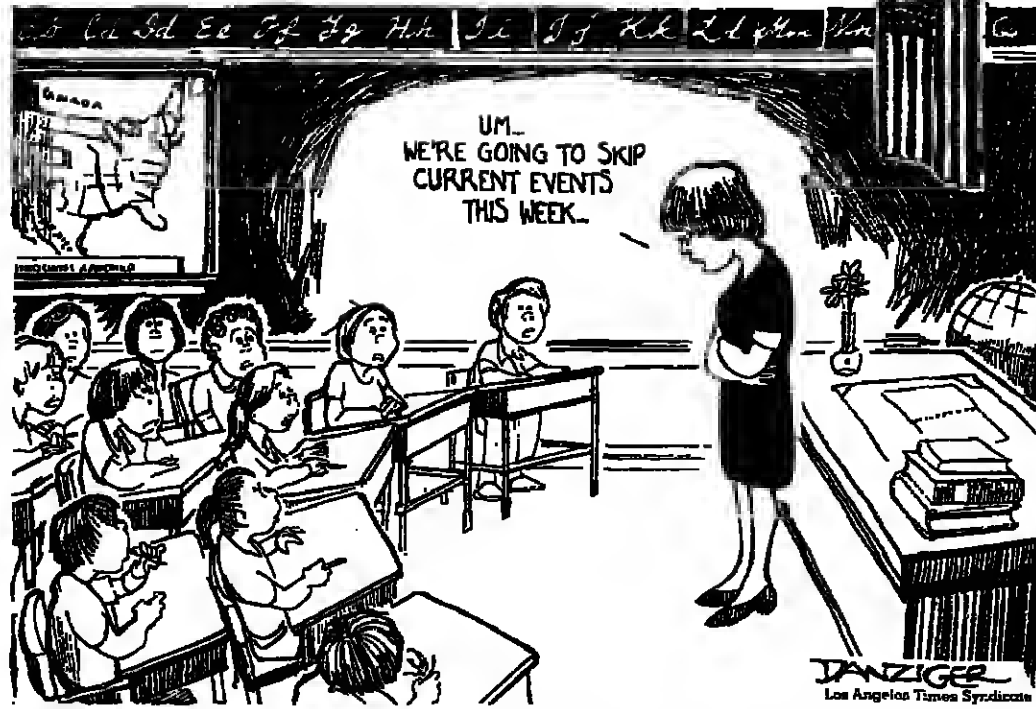
3. In addition to the Washington grand jury, Mr. Starr has one in Virginia — and the subpoena to Mr. Carter directs him to take his records there. Why Virginia? Could it have anything to do with the fact that Mr. Carter is black?

4. Mr. Starr is contemplating subpoenas to the Secret Service agents who protect the president. Has he thought about the effect that forcing them to testify would have on the confidence every president should have in those who protect him?

5. Similarly, Mr. Starr planned to wire Ms. Lewinsky to record conversations with others, presumably including President Bill Clinton. Did he think about the consequences of such an act on the ability of this president and future presidents to have candid conversations in the White House?

6. Mr. Starr has put heavy pressure on Ms. Lewinsky to testify against President Clinton. His weapon is a threat to prosecute her for perjury in the affidavit she filed in the Paula Jones case, denying a sexual relationship with the president.

It would be extremely unusual to prosecute anyone over an affidavit in a civil case — an affidavit that under the rules can be amended.



But that plainly is what Mr. Starr is holding over Ms. Lewinsky's lawyer, William Ginsburg, in their unsuccessful negotiations over what she will say.

Mr. Ginsburg now apparently thinks that Mr. Starr will call her before the grand jury anyway, grant her immunity in order to keep her from invoking the Fifth Amendment right against self-incrimination and require her to testify or go to prison for contempt.

The pressure tactics on Ms. Lewinsky would be understandable if they were being used by a prosecutor against a Mafia king. In this case they look like a steamroller to crush a gnat. As does much else in the Starr effort.

Two hundred FBI agents?

Mr. Starr is also ignoring an ethical problem of his own. Before he was appointed counsel for Whitewater in 1994 he had agreed to file a brief for an outside group in the Paula Jones case, opposing Mr. Clinton's attempt to postpone it. And he consulted with Mrs. Jones's lawyers two or three times on the telephone. How can he properly now deal with matters that arise from the Jones lawsuit?

The framers of the U.S. Constitution well understood the danger that Kenneth Starr illustrates: Give anyone absolute power and he may abuse it, no matter how good his intentions. That is why they created our elaborate system of checks and power.

The independent counsel statute has given us a creature outside the constitutional system. That is what Justice Scalia perceived in 1988. Now Mr. Starr, perhaps outraged by the idea of a president as sexual predator, is driven by a sense of mission — and a sense of his own rectitude — to ignore the dangers of prosecutorial abuse.

Conservatives as well as liberals, critics as well as supporters of Bill Clinton should be concerned at what is happening. Through history, liberty has depended on observance of the decencies of the law. The end does not justify the means.

The New York Times

Avant-Garde Profundity
Doesn't Mean Good Art

By Richard Pells

BONN — Are most American movies "trash"? Are American journalists, obsessed with President Bill Clinton's sexual proclivities, making it impossible for readers to focus on the problems of global hunger and the Middle East? Does American culture glorify

profits — cater to rather than challenge their audiences. Success at the box office means giving people what they want.

Hollywood, however, has always been anti-elitist. Studios have long recognized that high-minded or well-meaning films can be pretentious and soporific. The greatest American directors, from Orson Welles and John Ford to Robert Altman and Martin Scorsese, realized that their movies had to establish an emotional connection with the audience before they could be challenging or enlightening.

More practically, if a government finances a director's movie and guarantees that it will be shown in theaters and on television, as is often the case in Europe, why care whether anyone is watching? Why bother with stories, characters and performances when you can concentrate on being avant-garde?

American filmmakers know that they need to pay attention to people's passions and preoccupations or one will remember — much less think about — what they have seen. And they also recognize that the artistic quality of a movie does not depend on whether its content is socially responsible or morally uplifting.

In fact, many commercially successful American movies do not give audiences what the critics claim the masses want. From "Bonnie and Clyde" to "Pulp Fiction," the best films have combined art and entertainment, the sacred and the profane. Above all, they are disturbing, which is what works of art always are.

In their movies, the finest American filmmakers understand that forcing audiences to reflect on their own lives, to confront their deepest fears and fantasies, is more worthwhile than blathering about social problems.

But occasionally, in the movies and in life, private demons and public issues are entwined. This is why Europeans and Americans alike, whether they admit it or not, are transfixed by the current drama in Washington.

The writer, a Fulbright professor at Bonn University, is the author of "Not Like Us: How Europeans Have Loved, Hated and Transformed American Culture Since World War II." He contributed this column to the Herald Tribune.

LETTERS TO THE EDITOR

Clinton's Travails

The current mockery from abroad about the Clinton scandal is overly simplistic and ignores fundamental facts about Americans. Obviously there are more important things in the world than President Clinton's alleged sexual improprieties. Yet I do not think Americans are after mere titillation or are fiddling while Rome burns. Rather, the very idealism and ethics that have made the United States a superpower will not allow many Americans to accept the blatant flouting of some of the

nation's more puritanical beliefs. It is hardly surprising that a country as lacking in cynicism as America would expect its president to be above having sex with a 21-year-old intern and then lying about it. If a country can't expect this from its leader, what can it expect?

America appears far less cosmopolitan than those countries that turn a blind eye to the indiscretions of their leaders, but in my opinion that unwillingness to compromise on principle is more of an asset than a flaw.

DEIRDRE H. NORMAN,
Amsterdam.

Regarding "Sex, Nihilism and
American Democracy in Danger"
(Opinion, Jan. 31) by William
Pfaff:

Mr. Pfaff writes that "a revolution is an event with an outcome, sometimes a positive one." Most readers will agree that the outcome of the American Revolution — liberation from English rule — was positive.

The recent Washington scandal, however, is positively English: In Britain, sex scandals are routinely dug up to get rid of politicians who cannot be jettisoned legitimately. Too bad we

Americans have sunk to this level of mimicry after these many years of independence.

JEANETTE F. HUBER,
Minneapolis.

The return to the yellow journalism of the previous century's penny dailies has been a long time coming in America; the O.J. Simpson trial was the watershed.

As a branch of the entertainment industry, the American press faces the toughest competition it has ever had in selling its products, hence the recent feeding

frenzy. It is a sad time for the Fourth Estate. I am appalled by the complete collapse of American journalistic standards.

SEAN DALY,
Moscow.

In the present climate, the bipartisan call in Washington for air strikes against the caliph of Baghdad provides further evidence that an America now wired for thrills is close to nervous exhaustion and is on the brink of running amok.

EMILE LEFORT,
Luxembourg.

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Clockwise from left: Dior's kimono coat for summer 1998, and a Paul Poiret original at the museum; Givenchy's Oriental dress and bonsai hat; Yves Saint Laurent's beaded African outfit from 1967; Hanae Mori's peony-embroidered dress, and Jean Paul Gaultier's galleon hat with Napoleonic Egyptian-print dress.

Hints of the Exotic From Those Far-Away Places

By Suzy Menkes
International Herald Tribune

PARIS — By one of those serendipitous fashion happenings, an exhibition about exoticism has opened — just when haute couture is finding inspiration from far-flung places.

John Galiano must have been buried in the museum archives of Paul Poiret, for the swooning kimono coats the designer showed for Dior mirror the vitrine devoted to Poiret's work in the early years of the century.

How to bring dead people's clothes to life is the conundrum facing every fashion museum. But after a dull start with its first show, the Musée de la Mode et du Textile in the Louvre has come up trumps. "Touches d'Exotisme" (Touches of the Exotic), until the end of 1998, is imaginative in its concept and broad in its sweep, embracing inspirations from the Orient, India, Africa and the fantastic Arabian Nights world.

Its most successful idea is to show the 250 costumes and objects against painted backdrops by the Italian theater designer Ezio Frigerio. Taking art as a reference point, he has created willow-pattern gardens for chinoiserie, heat-and-dust Indian temples for the collection of paisley shawls, the Douanier Roussier landscapes at the approach of modernism and kitsch travel posters for the jet-set age.

The clothes are also put in context by a sound track that mixes musical cultures as deftly as the curator, Sylvie LeGrand, has arranged the clothes.

"Exoticism is a subject we have wanted to do from the outset, because it is a way to show how there are trends that are always coming back and are relevant to the 1990s," said Lydia Kamis, one of the fashion museum's curators.

Because it encompasses fashion from the antique past, through the 1970s hippies to modern times, the exhibition is vibrant. You can feel in the clothes the excitement as new areas of the globe were opened up. That means both the

physical arrival of gorgeous silks from China in the early 18th century and their interpretation by fabric houses in Lyon, which produced dandified men's vests.

Cotton — prized even more than silk in that era — was impregnated with the exotic when Napoleon's Egyptian campaign produced palm and sphinxes printed on tulle de Jouy. India gave the Victorians paisley shawls, which are shown in all their dense patterns and spicy colors.

The arrival of Diaghilev's Ballets Russes in Paris was Poiret's excuse to flood the pallid Edwardian colors with richness and fantasy, while the opening up of Japan ushered in graphic shapes that produced Oriental modernism.

These same strands are woven into recent fashions. After Galiano relaunched chinoiserie two years ago, Alexander McQueen at Givenchy chose japonisme as the subject of his spring couture collection, playing with its linear purity and also using witty touches, like a hat creating a bonsai garden.

The 18th century was the inspiration for Jean Paul Gaultier and Oscar de la Renta at Balmain. An Egyptian toile de Jouy dress with a galleon-shaped hat was one of Gaultier's takes, along with frock coats and panniers that detached from pantsuits. Balmain's chinoiserie brought jackets with Chinese embroidery and also panniered dresses. And Hanae Mori nurtured her Japanese roots with stylized flower prints.

NIGHT TRAIN

By Martin Amis. 175 pages. \$20.
Harmony Books. \$9.99. Jonathan Cape.

Reviewed by Michiko Kakutani

MARTIN AMIS'S career is beginning to take the shape of Graham Greene's: bigger, ambitious novels interspersed with slighter "entertainments," novels that extrapolate the author's distinctive social and moral vision interspersed with works that are more clearly exercises in craft.

Between sprawling, minutely detailed epics of modern life like "Money" (1985), "London Fields" (1990) and "The Information" (1995), Amis has given us "Einstein's Monsters" (1987), a rather flimsy collection of stories

linked by the theme of nuclear war; "Time's Arrow" (1991), a contrived tale of a Nazi-turned-fugitive told in reverse chronology, and now "Night Train," a noirish mystery narrated by a hard-boiled cop.

Whereas "Einstein's Monsters" and "Time's Arrow" felt a bit forced, like books written to mark time between the author's "real" novels, "Night Train" is a virtuoso performance. The book lacks the literary weight and ambition of books like "The Information" and "London Fields," but it's a deliciously readable, tightly polished diversion, a testament to its author's Nabokovian love of language and games, and his utter ease in delineating the seamy underside of modern life.

"Night Train" is vaguely reminiscent of the grim, threatening realm he's limned in earlier novels: a predatory world of greed and lust and violence; a world, in this case, seen through the eyes of a former homicide cop, saddled with the distinctly unfeminine name of Mike Hoolihan, a cop who admits that her "standards, for human behavior, are desperately low."

"We don't judge you," she says, "we can't judge you because whatever you've done it isn't even close to the worst; you didn't rape a baby and throw it over a wall, you didn't chop up an 80-year old for laughs. 'Whatever you've done,' she adds, 'we know all the things you MIGHT have done, and HAVEN'T done.'"

The story this investigator wants to tell is "the worst case" she has ever worked on. It is the story of her former boss's daughter, Jennifer Rockwell, and her apparent suicide.

In previous Dior collections, the Masai tribe of Africa had been Galiano's focus. The museum exhibition puts that into perspective, with a magnificent display of Yves Saint Laurent's African look of 1967 — wood-beaded dresses presented with towering lacquered hairstyles especially created for the show by the coiffeur Alexandre.

Exoticism works best in fashion when a whiff of spice and the heady perfume of distant places are absorbed into modern design. If there is too much integration, you get the stiff 1950s dresses from couture's glory days, when Dior or Balmain would just add ethnic embroideries to a conventional cocktail dress. Too literal an interpretation of other cultures turns the clothes into folk costumes.

Some of the most intriguing combinations came from street rather than couture salons, when free spirits in the 1970s brought back ethnic garments from the hippie trail. The Japanese designer Kenzo caught that multicultural mix in his early East-meets-West ready-to-wear.

Accessories offer just that touch of the exotic, expressed in the exhibition by Rene Lalique's Art Nouveau jewels, by Japanese parasols and by the shoes and purses with flat flowers from the 1920s.

The strength of the show is that it is brought right up to date, with examples from Christian Lacroix, Galiano, Issey Miyake and Dries Van Noten, proving that in a global fashion marketplace, borrowing from other cultures can still add an exotic and fantastic element to fashion.

CHESS

By Robert Byrne

LISA GALLIAMOVA of Russia won the Candidates Tournament for the Women's World Championship but that did not guarantee her a title match with Zsuzsa Polgar of New York, the women's world champion.

Though Galliamova scored 13.5 points to the 12.5 tallied by Xie Jun of China, under International Chess Federation rules that means they must fight for the challenger's slot.

The 1997 candidates was a double round, 10-entry event. In the tense final round in Groningen, the Netherlands, Galliamova, paired with a former oddist, Maya Chiburdanidze of Georgia, produced a high-level performance in assuring herself first place.

Had Chiburdanidze chosen 6...Ngf6, she would have gotten a King's Indian Defense, but after the distinctive 6...Ne7, she obtained a Robatsch Defense. The placement of the black king knight leaves the way open for a kingside attack with f5, yet Chiburdanidze never tried it.

Galliamova's 7 Qd2 virtually prevented 7...h6 because then Black could not castle kingside. But 7...f5 was to be considered: 8 ef Nf5 9 Bg5 Bf6 10 Bf6 Qf6

11 Nd5 Qd8 12 O-O-O-O-O is minimally superior for White; 8...gf 9 Bh6 is also only slightly better for White.

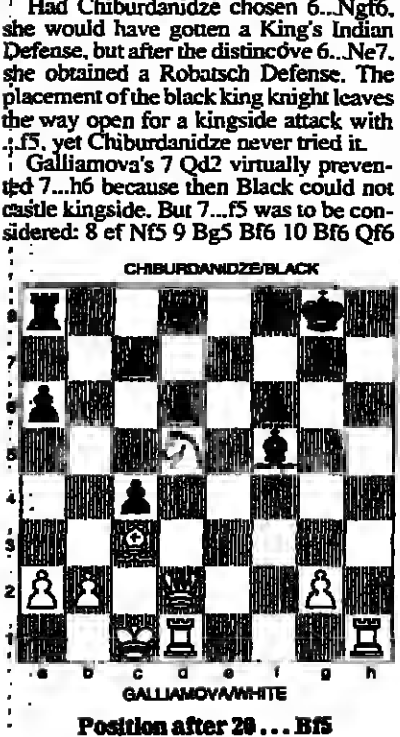
Since Galliamova's 9 h4 portended 10 h5 and an opening of the h file for a mating attack, Chiburdanidze opened the center with 9...ed, planning a counterattack on the white king.

If Galliamova had played 15 cb, Chiburdanidze would have gotten her wished-for assault. But against 15 Bc3, Chiburdanidze was in difficulty. She could not play 15...c5 because 16 Ba5 Qb8 17 h6 Bb6 ends in 18 Ne7 mate.

So she dug in for defense with 15...f6, but after 16 f4 Nc4 17 Bc4 bc 18 hg, Galliamova struck a powerful blow with 19 f5! to break open the black king position. The final point, after 19...gf 20 ef Bf5, was the smashing 21 Nf6! After 21...Rf6 (21...Bf6 22 Qd5 Rf7 23 Bf6 Qf6 24 Qa8 is no better for Black) 22 Bf6 Qf6 23 Qd5 Qe6 24 Qa8 Kf7, she had two rooks against two bishops.

In the endgame following 26 Rd5, Galliamova's winning technique was smooth. After 26...Be4 27 Ra5, Chiburdanidze refused the pawn she could have taken with 27...Bg2 because 28 Rh7! Be4 29 Rg7 Kg7 30 Ra6 Kf6 31 Ra7 c5 32 a4 wins easily for White.

After 37 Rc5, Chiburdanidze gave up the hopeless game.



ROBATSCH DEFENSE

White: Galliamova
Black: Chiburdanidze
1 d4 g5
2 e4 Bg7
3 c3 d6
4 Ne2 c5
5 Bg2 Ne7
6 Qd2 Q-O
7 Bf3 Bb6
8 Bb3 Bc6
9 h4 Nf6
10 Bf6 Qf6
11 Nd5 Qd8
12 O-O-O-O-O
13 Bc3 Bb6
14 Nf6 Bc6
15 Bc4 bc
16 f4 Nc4
17 Bc4 bc
18 hg

White: Galliamova
Black: Chiburdanidze
19 f5 gf
20 ef Bf5
21 Nf6 Rf6
22 Bf6 Qf6
23 Qd5 Qe6
24 Qa8 Kf7
25 Qd5 Qe6
26 Rd5 Bc4
27 Ra5 Bb6
28 Rf1 Kf6
29 Rf3 Bb7
30 Ra4 d5
31 Rf3 Kf6
32 Ra5 Bb6
33 Ra6 c5
34 Rd6 Bc3
35 Kd1 d4
36 Rd5 Kf4
37 Rc5 Resigns

New Spin for Burberrys

PARIS — The staid British house of Burberrys is being given a fashion spin. Roberto Menichetti, 31, an Italian designer who has worked with Jil Sander and Claude Moutana, has been tapped by Rose Marie Bravo, Burberrys' new CEO, who says: "He's a terrific talent who combines a modern approach with a respect for the British heritage and a sensitivity to fabrics." His first collection: fall-winter 1999. — S.M.

CROSSWORD

ACROSS

- 1 Irene of "Fame"
- 2 B.A. and B.S., e.g.
- 3 Try to avoid a leg
- 4 Throat clearer
- 5 Eye amorously
- 6 Kitcher counter?
- 7 1986 Clinton challenger
- 8 Stand in line
- 9 More slippery
- 10 How to succeed as a stripper?
- 11 Opposite WNW
- 12 Letterman's network
- 13 Hair's concern
- 14 Vandalize
- 15 Start with down and out
- 16 Fourposter, e.g.
- 17 Slops
- 18 Areas between hills
- 19 How to succeed as a retailer?
- 20 Voting districts
- 21 Go light (on)
- 22 Getting on in years
- 23 Govt. book business
- 24 Lucky plant
- 25 Puts in office
- 26 "Taki"
- 27 First lady
- 28 How to succeed as a demolition crew?
- 29 Fine dinnerware
- 30 Ready and willing's partner
- 31 Finto
- 32 "Prizzi's"
- 33 Hit alternative
- 34 Just in case
- 35 They're cutting, sometimes
- 36 Sports figure?
- 37 Greek god of love
- 38 Bumped
- 39 What Richard III offered "my kingdom" for
- 40 Load off the mind
- 41 "You can say that again!"
- 42 Somewhat pessimistic
- 43 "Yikes!"
- 44 Smooth-talking
- 45 — good example
- 46 Mudholes
- 47 On the up and up
- 48 Worthy of copying
- 49 "Look at Me, I'm Sandra"
- 50 Miscellaneous
- 51 Means of approach
- 52 One of Lee's men
- 53 Ball props
- 54 Aaker and Begley
- 55 Kind of test or rain
- 56 Addict's program
- 57 Takes advantage of
- 58 Flower supporter
- 59 Jumps with a pole
- 60 Brand for Bowser
- 61 Room connector
- 62 Boasting
- 63 Most safe
- 64 Gnat
- 65 Sugar suffix
- 66 Presidential rider
- 67 Nonetheless
- 68 Reckless pins again
- 69 Tripper transport
- 70 Russian autocrats: Var
- 71 Oklahoma city
- 72 Thanksgiving potatoes
- 73 In neutral
- 74 Guevara
- 75 Coal carrier

DOWN

- 1 Bumped
- 2 What Richard III offered "my kingdom" for
- 3 Load off the mind
- 4 "You can say that again!"
- 5 Somewhat pessimistic
- 6 "Yikes!"
- 7 Smooth-talking
- 8 — good example
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- 30 Nonetheless
- 31 Reckless pins again
- 32 Tripper transport
- 33 Russian autocrats: Var
- 34 Oklahoma city
- 35 Thanksgiving potatoes
- 36 In neutral
- 37 Guevara
- 38 Coal carrier

Solution to Puzzle of Feb. 2

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C	A	R	A	T	E	R	I	E	R	A	S	H
S	E	D	E	R	E	L	S	E				

Garish' Computer

By Bob Schatz
Computer

PARIS — The staid British house of Burberrys is being given a fashion spin. Roberto Menichetti, 31, an Italian designer who has worked with Jil Sander and Claude Moutana, has been tapped by Rose Marie Bravo, Burberrys' new CEO, who says: "He's a terrific talent who combines a modern approach with a respect for the British heritage and a sensitivity to fabrics." His first collection: fall-winter 1999. — S.M.

QA: Frontier Ma

By Bob Schatz
Frontier

PARIS — The staid British house of Burberrys is being given a fashion spin. Roberto Menichetti, 31, an Italian designer who has worked with Jil Sander and Claude Moutana, has been tapped by Rose Marie Bravo, Burberrys' new CEO, who says: "He's a terrific talent who combines a modern approach with a respect for the British heritage and a sensitivity to fabrics." His first collection: fall-winter 1999. — S.M.

CURRENCY &

Currency	Unit	Rate
Australian dollar	A\$	1.54
British pound	£	1.65
Canadian dollar	C\$	1.36
French franc	FF	6.55
German mark	M	1.36
Italian lira	L	2036
Japanese yen	¥	164
Netherlands guilder	ƒ	2.36
New Zealand dollar	N\$	1.54
Portuguese escudo	Esc	200
Spanish peseta	P	166.64
Swedish krona	Kr	8.46
Swiss franc	Sfr	1.36
U.S. dollar	\$	1.00

Drug-Merger Talk Fuels Markets

Glaxo-SmithKline Linkup Pushes European Stocks to New Highs

By Tom Buerkle
International Herald Tribune

LONDON — Talk of pharmaceutical mergers drove several major stock markets to new highs Monday as the proposed combination of Glaxo Wellcome PLC and SmithKline Beecham PLC triggered a frenzy of speculation about more mergers in the drug industry.

The reaction of the Glaxo and SmithKline stock prices to the weekend announcement that they were in merger discussions offered the most dramatic evidence yet that investors think consolidation in the industry can deliver huge benefits by strengthening research and marketing efforts and cutting costs.

European benchmark stock indexes — Britain's FT-SE 100, Germany's DAX and France's CAC-40 index — reached records on the Glaxo-SmithKline talks. Spanish, Italian and Swiss stocks also reached highs. The momentum also carried over to Wall Street, home to the biggest collection of pharmaceutical stocks.

In London, Glaxo and SmithKline shares surged to levels that would value the combined company at nearly \$190 billion. That would make Glaxo SmithKline as the world's second most valuable corporation, behind General Electric Co. of the United States.

The valuation is "appropriate" because of the potential the two companies have to cut costs and develop more advanced, high-profit drugs, said John Aldersley, an analyst at Merrill Lynch & Co. Other drugmakers will face intense pressure to consider merging to stay big enough to compete, Mr. Aldersley said.

"It's all eyes on everybody else," he said.

The merger news powered London stocks to their fourth straight record high close, with the FT-SE 100 index rising 2.6 percent, to 5,599.00.

Glaxo's shares rose 342 pence (\$5.61) to £19.85 (\$32.53), while SmithKline rose 81 pence to 844 pence. If the deal goes through, the merged company would represent more than 10 percent of the London market capitalization.

Based on the experience of Glaxo's 1995 takeover of Wellcome and the 1996 merger of Ciba-Geigy AG and Sandoz AG that created Novartis AG, Mr. Aldersley estimated that a future Glaxo-SmithKline would be able to cut costs by as much as £1.5 billion a year.

Stronger marketing and an ability to

sell a more-complete range of drugs to health-maintenance organizations and other big buyers should boost revenues, too. If the deal goes through, Merrill estimates the company will post net earnings of \$4.2 billion in 1999.

"It gives them a fantastically strong position to develop genetic-based products," Mr. Aldersley said.

Don Meltzer, co-head of mergers at Credit Suisse First Boston, said the proposed deal was "just the latest and largest example" of the wave of global mergers over the past five years that looks set to run and run.

"You can make any deal in this sector work because the synergies in this sector

are so great," he said.

But a word of caution came from Daniel Vasella, the chief executive of Novartis. Although the two companies complement each other's strengths, sheer size and bureaucracy hold the potential to sap a company's innovative edge, Mr. Vasella said. "There is a point when you become too big," he said.

In the markets, Germany's DAX rose 1.9 percent, to 4,522.81, powered by strong gains in Hoechst AG and Schering AG. In Paris, the CAC-40 index rose 0.48 percent, to 3,187.50. In Zurich, the SPI index rose 1.5 percent, to 4,139.41, on strong gains in Novartis and Roche Holding AG.

Takeover Fever Carries Wall Street to a Big Gain

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rallied 2.6 percent Monday after markets from Hong Kong to London surged, powered by pharmaceutical company shares as merger talks between SmithKline Beecham PLC and Glaxo Wellcome PLC fanned speculation that more alliances were on the way.

"Everyone's looking around and saying, 'Who else is a takeover candidate?'" said Dirk van Dijk, an equity strategist at Dean Investment Associates in Dayton, Ohio. "In the drug industry, everyone is viable."

Optimism that the worst of Asia's financial crisis is over added fuel to the rally.

"The potential that the Far East will implode has decreased, and that takes some pressure off U.S. stocks," said Ron Muhlenkamp, president of Muhlenkamp & Co.

"I'm not willing to say the problems there are over, but the risks are a little less than they were a couple weeks ago."

The Dow Jones industrial average closed 201.28 points higher, or 2.6 percent, at 8,107.78. The Dow last set a

record at 8,259.31 on Aug. 6.

The Standard & Poor's 500 index topped 1,000 for the first time, jumping 21.00 points, or 2.1 percent, to 1,001.28, led by Microsoft Corp. The Nasdaq composite index rose 33.52 points, or 2.1 percent, to 1,652.88.

U.S. bond prices tumbled after rallies in Asian and U.S. stock markets reduced demand for Treasury securities.

"As the Asian markets recover, bonds are less attractive," said James Midanek of Solon Asset Management in Walnut Creek, California.

The benchmark 30-year Treasury bond fell 31/32 point, pushing its yield up four basis points to 5.87 percent.

Economies in Southeast Asia have stopped deteriorating, diminishing the negative impact on the rest of the world, said Byron Wien, director of U.S. investment strategy at Morgan Stanley.

Dean Winter, Discover & Co. He advised clients to put cash into stocks.

Asian markets surged earlier as currencies stabilized and investors grew optimistic that the worst of the region's

See RALLY, Page 12



Nora Onley, 10, looking on as her sister Claire, 7, and her mother, Terry Savage, right, play a computer game.

'Girlish' Computer Games Growing Up

By Beth Berselli
Washington Post Service

WASHINGTON — Nora Onley, a 10-year-old who lives in Maryland, has blown up her share of aliens. She has conquered the universe, blasted the bad guys to smithereens and earned the high score on several computer games.

Despite these victories, her view of standard shoot-'em-up software can be summed up this way: "BOR-ing," she declared.

Nora and her sister Claire, 7, much prefer games such as Rockett's New School, a new software title billed as a "friendship adventure for girls." The girls spent a recent Sunday afternoon gloed to their Macintosh computer, intent on helping a carrot-topped girl, Rockett Movado, navigate the social milieu of the fictional Whistling Pines Junior High School. Among Rockett's

dilemmas: Is a classmate, Nicole, as snobby as she seems? Is Ruben really Mr. Nice Guy? Which party to attend?

"I like this," Claire said.

Software designers and marketers are waking up to the fact that girls such as Nora and Claire like to play computer games and that there is a profit to be made by developing software specifically for this underserved group. That means story lines and well-developed characters rather than the blood, guts and gore so adored by the usual software-game customer, a teenage boy.

With more than two dozen titles on the market, girls' computer software has become one of the hottest segments of the \$1.3 billion CD-ROM game business. Sales of girls' games totaled nearly \$60 million last year, up from \$1.5 million in 1995, according to PC Data, a Reston, Virginia, market-re-

search firm. Some experts forecast that sales will reach several hundred million dollars by 2000.

But underlying this success is debate about the value of the new girls-only software and whether it is really needed. Some critics are questioning whether these so-called pink games perpetuate gender stereotypes that limit girls to playing dress-up and boys to playing with fake guns and swords.

Developers of the games argue that the software increases girls' comfort with computers and that this confidence can lead them to careers in computer science and technology, where women still are vastly outnumbered by men. But some big software companies, such as Sega Entertainment Inc., say gender-specific software is unnecessary and that if a game is good, it

See GIRLS, Page 15

Q&A: Frontier Markets Where the Law Is 'Evolving'

Baker & McKenzie, the Chicago law firm that is the world's largest, based on its 2,000-plus lawyers, has been aggressively expanding abroad, reaching into regions such as the Commonwealth of Independent States and trying to set up shop ahead of its competitors. On his way to the World Economic Forum in Davos, Switzerland, John Klotzke, the firm's chairman, spoke with Mitchell Martin of the International Herald Tribune about practicing law in unfamiliar places.

Q. A lot of the places where you are expanding are not known for having a very well-defined rule of law. In fact, you are often the first law firm in there. It seems counterintuitive: Why send a lawyer to a place where there is no law?

A. Law can be defined a lot of different ways. It can be a very well-developed set of rules and principles, as for example we have in our system or in India. In an evolving situation, which is true in some of the emerging countries, I don't think it would be totally accurate that there is no law there. It is much more an evolving state — the principles may not be as well established or as fully written as businessmen would like. In some respects, the need for lawyers may be greater in those circumstances, where there are some interesting issues and the law and the customs and practices may be more significant than the written law itself.

Q. How do you go about setting up a practice in that kind of country? If you hire local people, then they are not trained in our style of law. Or do you hire local people who have a foreign degree?

A. Ideally, we would be hiring people who are being trained in both the local system as well as the Western system, but

that's the ideal situation. In some areas, maybe what we'll have to do is bring them to the States for training within our organization or for further education in a Western legal system. But at the end of the day, it is absolutely critical that we have people who are schooled and experienced in both systems.

Q. In developing countries, would you split the staff, say, 50-50 between American and local people?

A. First of all, it wouldn't necessarily be an American — it is more likely to be somebody from a common law jurisdiction. It could be the U.K., it could be Australia, it could be a number of different areas, but it's a Western system. If there is a typical way we do this, it would be to start with one or two Baker & McKenzie Western lawyers and a small group of local lawyers, but the mid- to long-term view of ours has always been that that office would be staffed by locally admitted lawyers.

Q. Your firm is active in Kazakhstan, where there have been questions about the rule of law. How does business get done in a place like that?

A. It and other CIS jurisdictions are indeed difficult to operate in. That is a situation where the legal system is not all that well developed. We tend to find there are changes in the governing rules and regulations that can happen relatively quickly and sometimes, perhaps, unexpectedly. But those are just some of the issues that businessmen have to deal with in terms of operating in jurisdictions like that. That is part of the risk analysis most companies would make in terms of their assessments of whether or not they are going to do business there. Certainly the risks may be higher than

normal, but perhaps the rewards are equally higher than normal.

In jurisdictions like that, those that get there first tend to develop the market and perhaps gain better market share, and I think that's certainly the strategy of a number of companies in dealing with these developing countries.

Q. Are there countries that have been for you, and by extension for other Western businesses, more successful than others? Places where you have done a lot more business than anticipated?

A. The Central European countries have been very successful for us. Budapest, Warsaw are two that certainly come to mind. Prague is a third. The CIS has been very successful.

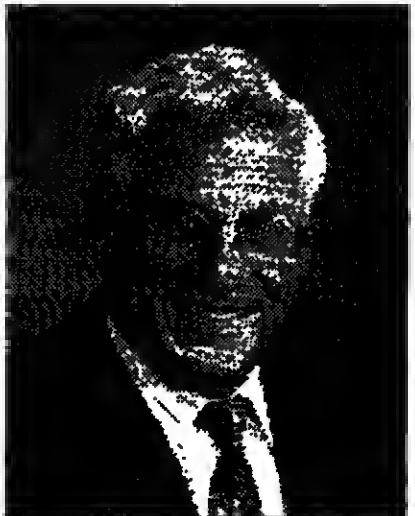
China has been very, very successful for us over the years. It is operated both out of our office in Beijing as well as our office in Hong Kong. Hong Kong is the largest office in Baker & McKenzie today, both from a revenue standpoint as well as head count. There are 225 or so lawyers.

Q. Has there been any change since Hong Kong's takeover by China?

A. There has been a little change in the practice, and it may be driven out so much by the takeover as by the events in Asia over the last six months. As you are probably aware, the real-estate market has gone somewhat south.

Q. It seems that countries gravitate more to the British-based system of common law than other systems.

A. If we use as a frame of reference the discussion in the CIS, a lot of the financing that takes place is generated out of London as opposed to New York, and often U.K. law might be the governing law.



John Klotzke of Baker & McKenzie.

Q. Do you see any developing countries as particularly amenable to investing from overseas?

A. I think the Latin American countries might be a good example. We've seen a very open-door policy there in the last five years — Mexico, Brazil.

Thinking Ahead / Commentary

Danger in U.S.: Rising Fear of Trade

By Reginald Dale
International Herald Tribune

WASHINGTON — Despite a booming economy and a bounteous job market, Americans seem to be increasingly fearful of international trade — even as they grow more dependent upon it. According to Alan Wolff, a former deputy U.S. trade representative, the idea of further trade liberalization is now being challenged more seriously in the United States than at any time since 1970, when the House of Representatives approved plans for import quotas.

If anything, the implications of today's challenge could be more far-reaching. The United States is much more reliant on trade to generate wealth and employment than it was a generation ago.

Rather than reject trade, Americans should embrace it. With exports accounting for more and more of the best jobs, and an increasing share of the country's economic growth, America's national interest lies in opening other markets further, not turning inward.

Although the European Union is now America's commercial equal, the United States still bears the main responsibility for keeping world trade liberalization moving forward and setting a good example to ensure that the

rules are respected.

Trade is no longer a small, obscure sector of American policy that can be shut away in a quiet corner of Washington while the strategic thinkers get on with more important geopolitical issues — as it was through the 1980s.

As Bruce Stokes writes in a book just published by the Council on Foreign Relations, "Trade Strategies for a New Era," the United States is entering a tortuous transition from a foreign policy shaped by geopolitics to one driven by geoeconomics.

In the past few years, the United States has crossed a historic threshold from being a largely self-sufficient, continental economy to one that is truly international. Foreign trade represented 13 percent of gross domestic product in 1970; today the figure is nearly 30 percent.

The economic reality is that America must continue to expand its trade if it is to keep building its prosperity. Trade has also become a major means of extending U.S. influence worldwide, both through trade agreements and by bringing new countries such as China and Russia into the Western-dominated multilateral system.

Yet there has been a steady decline in public and congressional support for trade initiatives — culminating in President Bill Clinton's decision to withdraw a request for new fast-track trade

negotiating authority last autumn rather than risk seeing Congress reject it.

Last week, in his State of the Union address, Mr. Clinton promised to renew the request. But if it is to pass, he will have to make much bigger efforts to win over the doubters on Capitol Hill.

The general public seems to be of two minds about trade. Americans tell opinion pollsters that free trade is good for America but also that they want the government to protect American jobs from imports. That is proving fertile ground for anti-free-trade activists at a time when the huge changes wrought by globalization are breeding widespread insecurity.

The main danger is ignorance. Many of the new generation on Capitol Hill know much less about how trade works than their predecessors. Far too few people understand how dependent on trade the country has become.

The book from the Council of Foreign Relations is part of a wider effort now getting under way by free-traders in Washington to bring the facts to light and counter the anti-trade campaign that has so far gone largely unanswered. It is high time.

If hostile feelings toward trade are allowed to flourish in a period of full employment, it will be far more difficult to confront them when recession strikes — and imports from struggling Asian economies get even cheaper.

CURRENCY & INTEREST RATES											
Cross Rates						Feb. 2 Libor-Libor Rates					
	S	£	D.M.	F.F.	Yn	CHF	A.R.	A.F.	Yn	CS	Potes
Australian dollar	0.68	3.365	1.372	8.264	0.710	—	5.405	1.391	1.621	1.419	1.398
Belgian franc	27.46	—	—	—	—	—	—	25.5	8.992	20.0	92.3
British pound	2.26	1.00	—	—	—	—	—	4.84	1.238	1.410	1.380
Canadian dollar	0.82	—	—	—	—	—	—	—	—	—	—
French franc	1.36	—	—	—	—	—	—	—	—	—	—
German mark	1.48	—	—	—	—	—	—	—	—	—	—
Italian lira	1,936	—	—	—	—	—	—	—	—	—	—
Japanese yen	161	—	—	—	—	—	—	—	—	—	—
Netherlands guilder	2.20	—	—	—	—	—	—	—	—	—	—
New Zealand dollar	0.68	—	—	—	—	—	—	—	—	—	—
Portuguese escudo	200.48	—	—	—	—	—	—	—	—	—	—
Spanish peseta	166.64	—	—	—	—	—	—	—	—	—	—
Swiss franc	1.48	—	—	—	—	—	—	—	—	—	—
Swedish krona	8.46	—	—	—	—	—	—	—	—	—	—
Taiwan dollar	24.63	—	—	—	—	—	—	—	—	—	—
Thai baht	54.83	—	—	—	—	—	—	—	—	—	—
Turkish lira	1,800	—	—	—	—	—	—	—	—	—	—
U.S. dollar	1.00	—	—	—	—	—	—	—	—	—	—
Yen	161	—	—	—	—	—	—	—	—	—	—
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Dollar Falls Against Yen And Mark

NEW YORK — The dollar slumped against the yen and the Deutsche mark Monday as Asian financial markets leaped on the allure of the currency and the bonds and Japanese officials said they would consider new measures to spur the country's faltering economy.

FOREIGN EXCHANGE

Stock markets and currency across Asia soared, led by a 1.8174 DM from 1.8245 DM a 126.95 yen.

The dollar was also a 1.78 Swiss franc, down from 1.785 francs, and a 6.066 French franc, down from 6.075 francs. The pound was at \$1.445, up to \$1.4535.

Many investors sought refuge in the dollar in recent months as Asian financial markets plummeted, and the dollar's strength was seen as a hedge against the risk of a global economic downturn.

The dollar's strength was also seen as a hedge against the risk of a global economic downturn. The dollar's strength was also seen as a hedge against the risk of a global economic downturn.

European Banks To Feel Asia's Pain

Standard & Poor's Says French Firms, Led by Credit Lyonnais, Are Most Exposed

PARIS — French banks are the most vulnerable in Europe to the Asian crisis, and German banks are also exposed but should be able to absorb the damage, Standard & Poor's Corp. said Monday.

Losses among European banks are expected to be as high as \$20 billion from exposure to the four most troubled countries in Asia, the rating concern said. Standard & Poor's found that European banks had exposure of more than \$100 billion to Indonesia, South Korea, Thailand and Malaysia.

But the agency said it expected that European banks' diversified earnings sources and improved home base would allow them to absorb Asian write-downs without "material damage" to their creditworthiness. S&P said about 20 European banks accounted for 85 percent to 90 percent of Europe's total Asian exposure.

French banks are the most vulnerable, particularly Credit Lyonnais, it said.

"Credit Lyonnais, Societe Generale and Banque Nationale de Paris have the most at stake in the region, with proportionally less exposure for the Credit Agricole and Paribas groups," Standard & Poor's said in its survey of the impact of the crisis on banks in Europe.

Regarding Credit Lyonnais, the state-owned bank that had to be bailed out after accumulating billions of dollars in losses, S&P said "write-downs in Asia in 1998 could prevent the bank from posting a profit and delay the privatization by a year or two."

It added, "Extensive business and geographic diversification plus a strong commercial position in the French market should enable Societe Generale to continue to improve pre-provision earnings in 1998 and cope with expected further losses from Asia."

It said Societe Generale and BNP had "roughly the same type of business positions" in Asia.

Credit Agricole's "greater capital mass and better operating profitability will allow it to swallow the problems more easily than its three

rivals cited above," Standard & Poor's said.

German banks also have a large exposure to Asia, although it is more spread out than in the case of France, the company said. In addition, the health of the German banking sector "will allow individual banks to absorb the damage from Asia without great difficulty," S&P said.

S&P's survey said British banks were even less affected. Their domestic operations had been very profitable, it said, so the country's banks have had "little incentive to chase cross-border business."

Separately, Commerzbank AG said its 1997 risk provisions for Asia totaled nearly 1 billion Deutsche marks (\$547.5 million) out of a total 1997 risk provision of 2.0 billion DM, compared with 1.68 billion DM in 1996.

Releasing provisional 1997 earnings, Commerzbank also said it would propose a 1997 dividend of 1.50 DM a share, up from 1.35 DM a share a year earlier. It said operating profit after risk provisions was 2.3 billion DM, up from 1.86 billion DM in 1996.

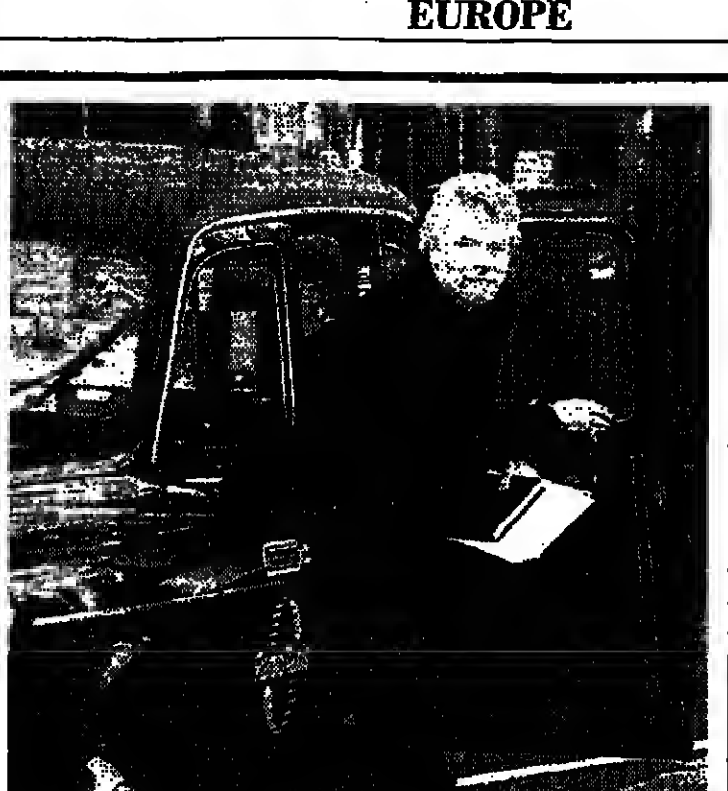
(Reuters, Bridge News)

Morgan Faces Downgrade

Moody's Investors Service Inc. has placed the debt of J.P. Morgan & Co. on review for a possible downgrade because of the bank's exposure to weakening Asian economies, one week after Standard & Poor's said it was considering similar action, Bloomberg News reported from New York.

The company also changed its long-term outlook to negative for Citicorp and Bankers Trust New York Corp., citing similar concerns about economic deterioration in Asia.

The review of J.P. Morgan "will consider the possibility of additional economic stress in the region and further deterioration in asset quality," Moody's said. The review will encompass Morgan's exposures to other emerging markets, it said, and the possibility that "contagion" effects from the Asian crisis could ultimately pressure other markets and economies.



BRANSON WINS — Richard Branson, the Virgin Group chief, on his way to court Monday, where he will face a libel suit against GTECH Corp. and its chairman, Guy Snowden. The suit involved allegations of bribery tied to Mr. Snowden.

Air-Travel Rise Helps BAA Post Higher 3d-Period Profit

LONDON — BAA PLC, the operator of seven British airports, said Monday that profit rose 20 percent in its third quarter as growth in air travel offset a stronger pound that cut sales to overseas visitors.

Net income for the three months that ended Dec. 31 rose to £24 million (£137 million) from £70 million (£370 million) in the nine months to Dec. 31, pretax profit rose to £415 million (£2,397 million).

The company said it expected airport traffic to grow about 7 percent a year, and that outlook helped lift BAA shares 9 pence to close at 487.

"It's a good set of workmanlike figures," Marshall Whiting, an analyst with SGST Securities, said. "There has been a hit because of sterling, but passenger growth is still very strong."

Revenue from airport user charges for the nine months rose 4.2 percent to £400.9 million, while income from property increased 8 percent, to £181.4 million.

Total retail revenue increased to £573.5 million, including £158.6 million from its newly acquired Duty Free International business.

Barclays Had Loss in '97 of \$1.13 Billion On BZW Sale

LONDON — Barclays PLC disclosed a 1997 pretax loss Monday of \$688 million (\$1.13 billion) resulting from the sale of its BZW investment-banking division.

Analysts said they were surprised by the size of the loss, which consisted of £340 million for the withdrawal itself, a £129 million charge for goodwill and a £219 million operating loss.

"They are talking about nearly £700 million, said John Aitken, a UBS banking analyst. "That is a lot more than expected. The good thing is they are finished with it now; it is somebody else's problem."

While not commenting on the cost of the sale, the chief executive of Barclays, Martin Taylor, defended his decision. "We made a strategic decision to redefine our investment-banking business in the autumn because continuing to invest in parts of the business no longer made commercial sense for us," he said.

Barclays' shares saw a fall after the announcement but closed at £18.86, up 50 pence.

The BZW losses are expected to be treated as an exceptional cost. The company's group profit for 1997 — due to be reported Feb. 17 — is expected to be about £2.5 billion before the loss.

Barclays said in October it would withdraw from the equities, equity capital markets and corporate advisory businesses as well as its Australasian investment-banking business. It consolidated its markets division, debt-related structuring, lending and private equity business in a new operation called Barclays Capital, which the bank said would report an operating profit of £248 million for 1997.

The move followed prolonged speculation that Mr. Taylor was considering selling the entire BZW investment bank, in which Barclays had invested considerable capital in an attempt to be one of a handful of global financial-services providers. Credit Suisse First Boston bought the European equities, equity capital markets and corporate advisory businesses as well as parts of the same operations in Asia.

Investor's Europe			
Frankfurt DAX	London FTSE 100 index	Paris CAC 40	
4500	5000	3200	
4000	4500	2800	
3500	4000	2400	
3000	3500	2000	
2500	3000	1600	
2000	2500	1200	
1500	2000	800	
1000	1500	400	
500	1000	0	
0	500	0	
1997	1997	1997	
Exchange	Index	Monday Close	Prev. Close
Amsterdam AEX	955.21	956.69	+0.90
Brussels BEL-20	2,614.70	2,570.70	-1.59
Frankfurt DAX	4,522.81	4,490.38	-1.68
Copenhagen Stock Market	890.02	890.24	+1.36
Helsinki HEX General	3,624.76	3,583.80	-4.92
Oslo OBK	686.43	673.83	-4.08
London FTSE 100	5,599.00	5,466.59	-12.57
Madrid Stock Exchange	707.57	695.68	-1.71
Oslo OBK	1,915.57	1,898.96	-1.63
Paris CAC 40	3,187.50	3,172.14	-14.48
Stockholm SX 36	3,421.36	3,395.81	-2.55
Vienna ATX	1,599.97	1,593.69	-0.47
Zurich SPI	4,438.41	4,478.41	+3.90

Source: Reuters International Herald Tribune

Very briefly:

• Iberia Air Lines of Spain will announce plans Tuesday to buy about 50 planes to what it called the largest European civil-aircraft order ever. The order will be the first stage of a fleet renovation that could cost as much as 500 billion pesetas (\$3.2 billion). The airline has said it will by the planes from Boeing Co., Airbus Industrie or both.

• Adam Opel AG, the European unit of General Motors Corp., is considering a 1 billion Deutsche mark (\$547.5 million) investment to rebuild its main German factory near Frankfurt. Opel estimates a new plant would allow it to trim as many as 4,000 jobs in Germany.

• Julius Baer Holding AG's 1997 net profit rose 54 percent, to 202.4 million Swiss francs (\$136.5 million) amid a rise in commission and trading income. The banking and asset-management company predicted that 1998 would be "favorable" and that commission income would keep rising.

• British plans to award Ford Motor Co.'s Jaguar unit £43 million (\$70.3 million) in aid to support production of a cheaper luxury sports sedan at Ford's Halewood plant near Liverpool. The work will maintain employment at the plant after Ford stops making its Escort model there in 2000. The new Jaguar model, a rival to the BMW 3-series code-named the X-400, is scheduled to be introduced in 2001.

• SVB Syndicates Ltd., a leading Lloyd's syndicate, announced its first sale of an insurance policy covering banks against the risk of so-called rogue trading. The syndicate, which launched the policy in October, described the unidentified buyer as a large New York-based financial institution.

• French consumer prices rose 1.2 percent in 1997, compared with 2 percent in 1996. Separately, new car registrations rose 13.1 percent in January from a year earlier, to 138,344.

• Toyota Motor Corp. appointed a Spaniard, Juan Jose Diaz Ruiz, vice president of Toyota's European operation based in Brussels. Bloomberg, AFP, Reuters

WORLD STOCK MARKETS

Monday, Feb. 2
Prices in local currencies.

Amsterdam AEX Index: 955.21
Tel Aviv TA-35 Index: 1,599.97

Bangkok SET Index: 8,475.75
Bombay Sensex: 23,614.34

Brussels BEL-20 Index: 2,614.70
Copenhagen NASDAQ: 890.02

Frankfurt DAX Index: 4,522.81
Hong Kong Hang Seng: 10,718.40

Jakarta Composite Index: 5,541.19
London FTSE 100: 5,599.00

Madrid IBEX 35: 707.57
Manila PSE Index: 2,145.39

Mexico Bolsa Mexicana: 4,618.47
Moscow RTS Index: 1,155.00

Oslo OBK Index: 686.43
Paris CAC 40: 3,187.50

Seoul KOSPI Index: 2,145.39
Singapore SENSEX: 2,361.43

Stockholm NASDAQ: 3,421.36
Taipei TSE Index: 1,599.97

Tokyo Nikkei 225: 14,438.41
Vienna ATX Index: 1,599.97

Zurich SPI Index: 4,438.41
Tel Aviv TA-35 Index: 1,599.97

High Low Close Prev.

SA Breweries 131.40 130.60 131 129

Standard Bank 25.30 25.20 25.30 25.20

Tiger Tights 23.20 23.20 23.20 23.20

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Monday's 3 P.M.
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible][illegible][illegible][illegible][illegible]

Stock	High	Low	Open	Close	Volume	Change
IBM	150.00	148.00	149.00	148.50	100000	-0.50
GE	120.00	118.00	119.00	118.50	80000	-0.50
AT&T	100.00	98.00	99.00	98.50	120000	-0.50
Westinghouse	80.00	78.00	79.00	78.50	60000	-0.50
General Electric	110.00	108.00	109.00	108.50	90000	-0.50
Radio Corp.	90.00	88.00	89.00	88.50	70000	-0.50
International Harvester	70.00	68.00	69.00	68.50	50000	-0.50
Goodyear	60.00	58.00	59.00	58.50	40000	-0.50
Continental	50.00	48.00	49.00	48.50	30000	-0.50
Rockwell	40.00	38.00	39.00	38.50	20000	-0.50
Boeing	30.00	28.00	29.00	28.50	10000	-0.50
Lockheed	20.00	18.00	19.00	18.50	10000	-0.50
Northrop	15.00	14.00	14.50	14.25	5000	-0.25
Grumman	12.00	11.00	11.50	11.25	4000	-0.25
Republic	10.00	9.00	9.50	9.25	3000	-0.25
Wright	8.00	7.00	7.50	7.25	2000	-0.25
McDonnell	6.00	5.00	5.50	5.25	1000	-0.25
Boeing	5.00	4.00	4.50	4.25	1000	-0.25
Lockheed	4.00	3.00	3.50	3.25	1000	-0.25
Northrop	3.00	2.00	2.50	2.25	1000	-0.25
Grumman	2.00	1.00	1.50	1.25	1000	-0.25
Republic	1.50	1.00	1.25	1.10	1000	-0.15
Wright	1.00	0.50	0.75	0.60	1000	-0.15
McDonnell	0.80	0.40	0.60	0.50	1000	-0.10
Boeing	0.60	0.30	0.45	0.35	1000	-0.10
Lockheed	0.40	0.20	0.30	0.25	1000	-0.05
Northrop	0.30	0.15	0.20	0.15	1000	-0.05
Grumman	0.20	0.10	0.15	0.12	1000	-0.03
Republic	0.15	0.05	0.10	0.08	1000	-0.02
Wright	0.10	0.05	0.08	0.06	1000	-0.02
McDonnell	0.08	0.04	0.06	0.05	1000	-0.01
Boeing	0.06	0.03	0.04	0.03	1000	-0.01
Lockheed	0.04	0.02	0.03	0.02	1000	-0.01
Northrop	0.03	0.01	0.02	0.01	1000	-0.01
Grumman	0.02	0.01	0.01	0.01	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
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Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
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Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
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Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
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Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
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Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
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Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
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Republic	0.01	0.00	0.01	0.00	1000	-0.01
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Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
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Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
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Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01
Grumman	0.01	0.00	0.01	0.00	1000	-0.01
Republic	0.01	0.00	0.01	0.00	1000	-0.01
Wright	0.01	0.00	0.01	0.00	1000	-0.01
McDonnell	0.01	0.00	0.01	0.00	1000	-0.01
Boeing	0.01	0.00	0.01	0.00	1000	-0.01
Lockheed	0.01	0.00	0.01	0.00	1000	-0.01
Northrop	0.01	0.00	0.01	0.00	1000	-0.01



**Trust in
the art of asset
management**

Trust in the art of asset management

Lombard Odier

11, rue de la Corrairie - 1204 Geneva - Switzerland

[illegible][illegible][illegible][illegible]

Economy Slips

By [illegible]

The U.S. economy slipped into a technical recession last month, according to a report from the Commerce Department. The report said that the economy contracted by 0.2 percent in the third quarter, following a 0.1 percent decline in the second quarter. This marks the first time the economy has contracted for two consecutive quarters since the early 1980s.

The report also noted that the economy had been growing at a sluggish pace for several months prior to the third quarter. The Commerce Department said that the economy's growth had been hampered by a combination of factors, including a decline in consumer spending and a slowdown in business investment.

Despite the technical recession, the Commerce Department said that the economy remains in a state of "moderate growth." The report noted that the economy's growth had been supported by a strong performance in the services sector, which continued to expand at a steady pace. The report also noted that the economy's growth had been supported by a strong performance in the manufacturing sector, which continued to expand at a steady pace.

Confirms Duero

Won't Discuss Buy

By [illegible]

IBM Corp. has confirmed that it will not discuss the possibility of buying the Duero computer company, a source familiar with the company's plans said. The source said that IBM had been in talks with Duero for several months, but that the company had decided not to proceed with the acquisition.

The source said that IBM had been interested in Duero because of the company's expertise in the area of computer architecture. Duero is a small company based in California, and it has developed a number of innovative computer architectures in recent years. IBM has been looking for ways to expand its presence in the computer architecture market, and Duero was seen as a potential acquisition target.

However, the source said that IBM had decided not to proceed with the acquisition because of the high cost of the company. Duero's valuation is estimated to be in the hundreds of millions of dollars, and IBM may have decided that the cost of the acquisition was too high. The source also said that IBM had been concerned about the impact of the acquisition on Duero's employees, and that this may have been another factor in the company's decision.

MS: Software Designers

By [illegible]

Microsoft Corp. has announced that it will be hiring a large number of software designers to work on its new operating system, Windows. The company said that it is looking for designers with experience in the area of user interface design, and that it is willing to pay a premium for the right candidates.

The source said that Microsoft is looking for designers who can create a user interface that is both intuitive and powerful. The company said that it is looking for designers who can create a user interface that is easy to learn and easy to use, and that it is looking for designers who can create a user interface that is powerful and flexible. The company said that it is looking for designers who can create a user interface that is both aesthetically pleasing and functional.

The source said that Microsoft is looking for designers who can work in a fast-paced environment, and that it is looking for designers who can work independently. The company said that it is looking for designers who can work in a team, and that it is looking for designers who can communicate effectively. The company said that it is looking for designers who can work in a challenging environment, and that it is looking for designers who can work under pressure.

RIS: Amid Asian Turmoil

By [illegible]

RIS, a major U.S. defense contractor, is reportedly in a difficult financial position due to the turmoil in Asia. The company has been hit hard by the decline in demand for its products, and it is struggling to meet its financial obligations. The company's stock price has fallen sharply, and it is facing a number of challenges.

The source said that RIS is facing a number of challenges, including a decline in demand for its products, a decline in its stock price, and a number of financial problems. The company is struggling to meet its financial obligations, and it is facing a number of challenges. The source said that RIS is facing a number of challenges, including a decline in demand for its products, a decline in its stock price, and a number of financial problems.

by briefly: Davos

By [illegible]

The World Economic Forum in Davos, Switzerland, has concluded its annual meeting. The meeting was attended by a number of world leaders, and it was a success. The meeting was a landmark event, and it was a success. The meeting was a landmark event, and it was a success.

The source said that the meeting was a landmark event, and it was a success. The meeting was a landmark event, and it was a success. The meeting was a landmark event, and it was a success. The meeting was a landmark event, and it was a success.

Continued on Page 16

ASIA/PACIFIC

Economy Slips as Hong Kong Holds On to Dollar Link

By Edward A. Gargan
New York Times Service

HONG KONG — Leung Pak Lau thought life was pretty good; then Asia's economic and financial wreckage collapsed on his red and silver taxicab.

A slight man in his mid-50s, Mr. Leung owns his own cab — a fervent aspiration once, but now a choice he rues.

"Business is definitely bad these days," he said, piloting his stick-shift Toyota through the crowded streets of the Wanchai shopping district. What upsets him most is that when he bought his taxi license five months ago, he says, it cost 3.1 million Hong Kong dollars, or \$397,000. Now it is worth only about 2 million dollars, he says.

Shored up by hefty budget and trade surpluses and \$92.8 billion in foreign exchange reserves, Hong Kong's economy has proved more robust than the economies of its neighbors. Its companies have comparatively small debt loads, and there are no empty office towers. But the ripples of the region's distress are nevertheless lapping at the shores of Hong Kong.

Retailers are hurting, companies are shedding jobs, and real-estate development, long a

pillar of the economy, is slowing. Though some of these problems are a result of the regional collapse, Hong Kong is being buffeted primarily by a problem of its own making: its monetary policy.

Unlike the currency of other countries in the region, the Hong Kong dollar is pegged to the U.S. dollar, at a rate of about 7.75 to 1, a link that has forestalled currency instability here but has begun to rattle some sectors of the economy. Even Tung Chee-hwa, the man chosen by Beijing to be Hong Kong's chief executive, acknowledges that maintaining the link is causing problems.

In defending the currency link, Mr. Tung, a former shipping entrepreneur, told the territory's Beijing-picked legislature two weeks ago, the following consequences can be expected:

The Hong Kong dollar interest rate goes up, property prices come down; the stock market lingers at low levels; tourism is "in the doldrums"; consumer spending fades; economic growth in 1998 "will slow down significantly," and unemployment will rise.

Nonetheless, Mr. Tung has repeatedly declared that the link with the U.S. dollar will be maintained at all costs.

"This is a basic policy to maintain the

economic stability and prosperity of Hong Kong," Mr. Tung said.

Although no one in authority is talking publicly about any alternative monetary policies, the ramifications of keeping the peg are evident in the Hong Kong economy.

Mortgage interest rates have touched 12 percent, raising monthly payments, hurting property prices, increasing retailers' costs, depressing the stock market — and undermining the value of taxi licenses, which are usually bought with bank loans that now carry sharply higher rates.

Not only has Mr. Leung's cab license slumped in value, but Hong Kong's famously high-priced real estate is taking a beating. With prices now 20 percent to 30 percent below their peaks of barely three months ago, several high-profile companies' debt levels are stunning anxieties in the stock market, where property and development companies are pillars of the 33-stock benchmark Hang Seng index.

As the economy begins to contract — the government predicts growth this year of 4 percent, down from 5.5 percent last year, and private analysts are more pessimistic — a growing number of investment banks and brokerage houses are cutting jobs that were added during the boom years. The brashest

and newest of the breed, Peregrine Investments Holdings Ltd., collapsed last month.

Along Hong Kong's shopping thoroughfares, the mood is increasingly gloomy. The situation has become so bad for Hong Kong's retail industry that it has called on landlords to cut rents by 40 percent.

So far, 6,000 of Hong Kong's major landlords have responded to the retailers' plea, although the Hong Kong Housing Authority announced that it was freezing rents on commercial establishments in public buildings.



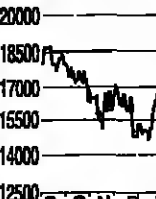
And then there is tourism, which once helped fuel Hong Kong's economy. Although official data are lagging behind, figures for November showed a 22 percent decline in tourist arrivals compared with November 1996.

■ GDP Growth Slowed in 3d Period

The government said Monday that Hong Kong's economic growth in the third quarter slowed to a still-robust annual rate of 5.7 percent after inflation, Agence France-Presse reported.

Growth in gross domestic product was 6.0 percent in the first quarter and 6.8 percent in the second period. But a government spokesman cautioned that fourth-quarter data would probably show a marked slackening in growth.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
S O N D J F 1997 1998		S O N D J F 1997 1998		S O N D J F 1997 1998	
Exchange	Index	Exchange	Index	Exchange	Index
Hong Kong	Hang Seng	Singapore	Straits Times	Tokyo	Nikkei 225
	16,570.00		1,622.00		18,225.00
Change		Change		Change	
	1,320.00		1,250.00		1,000.00
S O N D J F 1997 1998		S O N D J F 1997 1998		S O N D J F 1997 1998	
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S O N D J F 1997 1998		S O N D J F 1997 1998		S O N D J F 1997 1998	
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Change		Change		Change	
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S O N D J F 1997 1998		S O N D J F 1997 1998		S O N D J F 1997 1998	
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S O N D J F 1997 1998		S O N D J F 1997 1998		S O N D J F 1997 1998	
Exchange	Index	Exchange	Index	Exchange	Index
Hong Kong	Hang Seng	Singapore			

The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

Page	Line	Zone	Day	Year	Time	Page	Line	Lat	Long	City
1	1					1	1			
1	2					1	2			
1	3					1	3			
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1	99					1	99			
1	100					1	100			

Sl. No.	Particulars	Debit	Credit	Balance
1	By Balance b/d		100.00	100.00
2	To Balance b/d	100.00		
3	By Cash		50.00	150.00
4	To Cash	50.00		
5	By Cash		25.00	175.00
6	To Cash	25.00		
7	By Cash		75.00	250.00
8	To Cash	75.00		
9	By Cash		125.00	375.00
10	To Cash	125.00		
11	By Cash		175.00	550.00
12	To Cash	175.00		
13	By Cash		225.00	775.00
14	To Cash	225.00		
15	By Cash		275.00	1050.00
16	To Cash	275.00		
17	By Cash		325.00	1375.00
18	To Cash	325.00		
19	By Cash		375.00	1750.00
20	To Cash	375.00		
21	By Cash		425.00	2175.00
22	To Cash	425.00		
23	By Cash		475.00	2650.00
24	To Cash	475.00		
25	By Cash		525.00	3175.00
26	To Cash	525.00		
27	By Cash		575.00	3750.00
28	To Cash	575.00		
29	By Cash		625.00	4375.00
30	To Cash	625.00		
31	By Cash		675.00	5050.00
32	To Cash	675.00		
33	By Cash		725.00	5775.00
34	To Cash	725.00		
35	By Cash		775.00	6550.00
36	To Cash	775.00		
37	By Cash		825.00	7375.00
38	To Cash	825.00		
39	By Cash		875.00	8250.00
40	To Cash	875.00		
41	By Cash		925.00	9175.00
42	To Cash	925.00		
43	By Cash		975.00	10150.00
44	To Cash	975.00		
45	By Cash		1025.00	11175.00
46	To Cash	1025.00		
47	By Cash		1075.00	12250.00
48	To Cash	1075.00		
49	By Cash		1125.00	13375.00
50	To Cash	1125.00		
51	By Cash		1175.00	14550.00
52	To Cash	1175.00		
53	By Cash		1225.00	15775.00
54	To Cash	1225.00		
55	By Cash		1275.00	17050.00
56	To Cash	1275.00		
57	By Cash		1325.00	18375.00
58	To Cash	1325.00		
59	By Cash		1375.00	19750.00
60	To Cash	1375.00		
61	By Cash		1425.00	21175.00
62	To Cash	1425.00		
63	By Cash		1475.00	22650.00
64	To Cash	1475.00		
65	By Cash		1525.00	24175.00
66	To Cash	1525.00		
67	By Cash		1575.00	25750.00
68	To Cash	1575.00		
69	By Cash		1625.00	27375.00
70	To Cash	1625.00		
71	By Cash		1675.00	29050.00
72	To Cash	1675.00		
73	By Cash		1725.00	30775.00
74	To Cash	1725.00		
75	By Cash		1775.00	32550.00
76	To Cash	1775.00		
77	By Cash		1825.00	34375.00
78	To Cash	1825.00		
79	By Cash		1875.00	36250.00
80	To Cash	1875.00		
81	By Cash		1925.00	38175.00
82	To Cash	1925.00		
83	By Cash		1975.00	40150.00
84	To Cash	1975.00		
85	By Cash		2025.00	42175.00
86	To Cash	2025.00		
87	By Cash		2075.00	44250.00
88	To Cash	2075.00		
89	By Cash		2125.00	46375.00
90	To Cash	2125.00		
91	By Cash		2175.00	48500.00
92	To Cash	2175.00		
93	By Cash		2225.00	50625.00
94	To Cash	2225.00		
95	By Cash		2275.00	52750.00
96	To Cash	2275.00		
97	By Cash		2325.00	54875.00
98	To Cash	2325.00		
99	By Cash		2375.00	57000.00
100	To Cash	2375.00		
101	By Cash		2425.00	59125.00
102	To Cash	2425.00		
103	By Cash		2475.00	61250.00
104	To Cash	2475.00		
105	By Cash		2525.00	63375.00
106	To Cash	2525.00		
107	By Cash		2575.00	65500.00
108	To Cash	2575.00		
109	By Cash		2625.00	67625.00
110	To Cash	2625.00		
111	By Cash		2675.00	69750.00
112	To Cash	2675.00		
113	By Cash		2725.00	71875.00
114	To Cash	2725.00		
115	By Cash		2775.00	74000.00
116	To Cash	2775.00		
117	By Cash		2825.00	76125.00
118	To Cash	2825.00		
119	By Cash		2875.00	78250.00
120	To Cash	2875.00		
121	By Cash		2925.00	80375.00
122	To Cash	2925.00		
123	By Cash		2975.00	82500.00
124	To Cash	2975.00		
125	By Cash		3025.00	84625.00
126	To Cash	3025.00		
127	By Cash		3075.00	86750.00
128	To Cash	3075.00		
129	By Cash		3125.00	88875.00
130	To Cash	3125.00		
131	By Cash		3175.00	91000.00
132	To Cash	3175.00		
133	By Cash		3225.00	93125.00
134	To Cash	3225.00		
135	By Cash		3275.00	95250.00
136	To Cash	3275.00		
137	By Cash		3325.00	97375.00
138	To Cash	3325.00		
139	By Cash		3375.00	99500.00
140	To Cash	3375.00		
141	By Cash		3425.00	101625.00
142	To Cash	3425.00		
143	By Cash		3475.00	103750.00
144	To Cash	3475.00		
145	By Cash		3525.00	105875.00
146	To Cash	3525.00		
147	By Cash		3575.00	108000.00
148	To Cash	3575.00		
149	By Cash		3625.00	110125.00
150	To Cash	3625.00		
151	By Cash		3675.00	112250.00
152	To Cash	3675.00		
153	By Cash		3725.00	114375.00
154	To Cash	3725.00		
155	By Cash		3775.00	116500.00
156	To Cash	3775.00		
157	By Cash		3825.00	118625.00
158	To Cash	3825.00		
159	By Cash		3875.00	120750.00
160	To Cash	3875.00		
161	By Cash		3925.00	122875.00
162	To Cash	3925.00		
163	By Cash		3975.00	125000.00
164	To Cash	3975.00		
165	By Cash		4025.00	127125.00
166	To Cash	4025.00		
167	By Cash		4075.00	129250.00
168	To Cash	4075.00		
169	By Cash		4125.00	131375.00
170	To Cash	4125.00		
171	By Cash		4175.00	133500.00
172	To Cash	4175.00		
173	By Cash		4225.00	135625.00
174	To Cash	4225.00		
175	By Cash		4275.00	137750.00
176	To Cash	4275.00		
177	By Cash		4325.00	139875.00
178	To Cash	4325.00		
179	By Cash		4375.00	142000.00
180	To Cash	4375.00		
181	By Cash		4425.00	144125.00
182	To Cash	4425.00		
183	By Cash		4475.00	146250.00
184	To Cash	4475.00		
185	By Cash		4525.00	148375.00
186	To Cash	4525.00		
187	By Cash		4575.00	150500.00
188	To Cash	4575.00		
189	By Cash		4625.00	152625.00
190	To Cash	4625.00		
191	By Cash		4675.00	154750.00
192	To Cash	4675.00		
193	By Cash		4725.00	156875.00
194	To Cash	4725.00		
195	By Cash		4775.00	159000.00
196	To Cash	4775.00		
197	By Cash		4825.00	161125.00
198	To Cash	4825.00		
199	By Cash		4875.00	163250.00
200	To Cash	4875.00		
201	By Cash		4925.00	165375.00
202	To Cash	4925.00		
203	By Cash		4975.00	167500.00
204	To Cash	4975.00		
205	By Cash		5025.00	169625.00
206	To Cash	5025.00		
207	By Cash		5075.00	171750.00
208	To Cash	5075.00		
209	By Cash		5125.00	173875.00
210	To Cash	5125.00		
211	By Cash		5175.00	176000.00
212	To Cash	5175.00		
213	By Cash		5225.00	178125.00
214	To Cash	5225.00		
215	By Cash		5275.00	180250.00
216	To Cash	5275.00		
217	By Cash		5325.00	182375.00
218	To Cash	5325.00		
219	By Cash		5375.00	184500.00
220	To Cash	5375.00		
221	By Cash		5425.00	186625.00
222	To Cash	5425.00		
223	By Cash		5475.00	188750.00
224	To Cash	5475.00		
225	By Cash		5525.00	190875.00
226	To Cash	5525.00		
227	By Cash		5575.00	193000.00
228	To Cash	5575.00		
229	By Cash		5625.00	195125.00
230	To Cash	5625.00		
231	By Cash		5675.00	197250.00
232	To Cash	5675.00		
233	By Cash		5725.00	199375.00
234	To Cash	5725.00		
235	By Cash		5775.00	201500.00
236	To Cash	5775.00		
237	By Cash		5825.00	203625.00
238	To Cash	5825.00		
239	By Cash		5875.00	205750.00
240	To Cash	5875.00		
241	By Cash		5925.00	207875.00
242	To Cash	5925.00		
243	By Cash		5975.00	210000.00
244	To Cash	5975.00		
245	By Cash		6025.00	212125.00
246	To Cash	6025.00		
247	By Cash		6075.00	214250.00
248	To Cash	6075.00		
249	By Cash		6125.00	216375.00
250	To Cash	6125.00		
251	By Cash		6175.00	218500.00
252	To Cash	6175.00		
253	By Cash		6225.00	220625.00
254	To Cash	6225.00		
255	By Cash		6275.00	222750.00
256	To Cash	6275.00		
257	By Cash		6325.00	224875.00
258	To Cash	6325.00		
259	By Cash		6375.00	227000.00
260	To Cash	6375.00		
261	By Cash		6425.00	229125.00
262	To Cash	6425.00		
263	By Cash		6475.00	231250.00
264	To Cash	6475.00		
265	By Cash		6525.00	233375.00
266	To Cash	6525.00		
267	By Cash		6575.00	235500.00
268	To Cash	6575.00		
269	By Cash		6625.00	237625.00
270	To Cash	6625.00		
271	By Cash		6675.00	239750.00
272	To Cash	6675.00		
273	By Cash		6725.00	241875.00
274	To Cash	6725.00		
275	By Cash		6775.00	244000.00
276	To Cash	6775.00		
277	By Cash		6825.00	246125.00
278	To Cash	6825.00		
279	By Cash		6875.00	248250.00
280	To Cash	6875.00		
281	By Cash		6925.00	250375.00
282	To Cash	6925.00		
283	By Cash		6975.00	252500.00
284	To Cash	6975.00		
285	By Cash		7025.00	254625.00
286	To Cash	7025.00		
287	By Cash		7075.00	256750.00
288	To Cash	7075.00		
289	By Cash		7125.00	258875.00
290	To Cash			

Case	Age	Sex	Occupation	Marital Status	Religion	Education	Income	Assets	Liabilities	Net Worth	Summary
1	35	M	Teacher	Married	Catholic	High School	\$12,000	\$15,000	\$5,000	\$10,000	Stable income, low debt.
2	42	F	Homemaker	Married	Protestant	College	\$8,000	\$10,000	\$3,000	\$7,000	Low income, moderate assets.
3	28	M	Engineer	Single	Jewish	University	\$18,000	\$20,000	\$2,000	\$18,000	High income, low debt.
4	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
5	38	M	Doctor	Married	Buddhist	University	\$25,000	\$30,000	\$5,000	\$20,000	High income, low debt.
6	45	F	Lawyer	Married	Hindu	College	\$15,000	\$18,000	\$3,000	\$12,000	High income, low debt.
7	32	M	Software Engineer	Single	Sikh	University	\$20,000	\$22,000	\$2,000	\$18,000	High income, low debt.
8	50	F	Retired	Married	Christian	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
9	40	M	Manager	Married	Islamic	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
10	30	F	Teacher	Married	Buddhist	High School	\$9,000	\$11,000	\$2,000	\$7,000	Stable income, low debt.
11	48	M	Engineer	Married	Hindu	University	\$14,000	\$16,000	\$2,000	\$12,000	Stable income, low debt.
12	35	F	Homemaker	Married	Sikh	College	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
13	52	M	Retired	Married	Christian	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
14	38	F	Lawyer	Married	Muslim	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
15	45	M	Manager	Married	Buddhist	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
16	32	F	Teacher	Married	Hindu	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
17	55	M	Retired	Married	Sikh	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
18	40	F	Homemaker	Married	Christian	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
19	35	M	Engineer	Single	Muslim	University	\$19,000	\$21,000	\$2,000	\$17,000	High income, low debt.
20	50	F	Retired	Married	Buddhist	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
21	38	M	Manager	Married	Hindu	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
22	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
23	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
24	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
25	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
26	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
27	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
28	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
29	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
30	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
31	55	M	Retired	Married	Hindu	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
32	40	F	Homemaker	Married	Sikh	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
33	35	M	Engineer	Single	Christian	University	\$18,000	\$20,000	\$2,000	\$16,000	High income, low debt.
34	50	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
35	38	M	Manager	Married	Buddhist	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
36	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
37	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
38	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
39	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
40	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
41	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
42	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
43	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
44	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
45	55	M	Retired	Married	Hindu	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
46	40	F	Homemaker	Married	Sikh	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
47	35	M	Engineer	Single	Christian	University	\$18,000	\$20,000	\$2,000	\$16,000	High income, low debt.
48	50	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
49	38	M	Manager	Married	Buddhist	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
50	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
51	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
52	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
53	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
54	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
55	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
56	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
57	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
58	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
59	55	M	Retired	Married	Hindu	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
60	40	F	Homemaker	Married	Sikh	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
61	35	M	Engineer	Single	Christian	University	\$18,000	\$20,000	\$2,000	\$16,000	High income, low debt.
62	50	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
63	38	M	Manager	Married	Buddhist	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
64	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
65	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
66	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
67	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
68	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
69	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
70	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
71	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
72	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
73	55	M	Retired	Married	Hindu	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
74	40	F	Homemaker	Married	Sikh	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
75	35	M	Engineer	Single	Christian	University	\$18,000	\$20,000	\$2,000	\$16,000	High income, low debt.
76	50	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
77	38	M	Manager	Married	Buddhist	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
78	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
79	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
80	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
81	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
82	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
83	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
84	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
85	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
86	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.
87	55	M	Retired	Married	Hindu	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
88	40	F	Homemaker	Married	Sikh	College	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
89	35	M	Engineer	Single	Christian	University	\$18,000	\$20,000	\$2,000	\$16,000	High income, low debt.
90	50	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
91	38	M	Manager	Married	Buddhist	College	\$10,000	\$12,000	\$2,000	\$8,000	Stable income, low debt.
92	45	F	Lawyer	Married	Sikh	University	\$15,000	\$17,000	\$2,000	\$13,000	High income, low debt.
93	32	M	Software Engineer	Single	Christian	High School	\$17,000	\$19,000	\$2,000	\$15,000	High income, low debt.
94	55	F	Retired	Married	Muslim	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
95	40	M	Engineer	Married	Buddhist	College	\$12,000	\$14,000	\$2,000	\$10,000	Stable income, low debt.
96	35	F	Homemaker	Married	Hindu	High School	\$7,000	\$9,000	\$2,000	\$5,000	Low income, moderate assets.
97	50	M	Retired	Married	Sikh	High School	\$6,000	\$8,000	\$2,000	\$4,000	Low income, moderate assets.
98	38	F	Lawyer	Married	Christian	University	\$16,000	\$18,000	\$2,000	\$14,000	High income, low debt.
99	45	M	Manager	Married	Muslim	College	\$11,000	\$13,000	\$2,000	\$9,000	Stable income, low debt.
100	32	F	Teacher	Married	Buddhist	High School	\$8,000	\$10,000	\$2,000	\$6,000	Stable income, low debt.

[illegible][illegible][illegible]

Monday's 3 P.M.
(Continued)

[illegible][illegible][illegible][illegible]

Stock	High	Low	Open	Close	Change	Volume	High	Low	Open	Close	Change	Volume	High	Low	Open	Close	Change	Volume	High	Low	Open	Close	Change	Volume
1000	1000	1000	1000	1000	0	1000	1000	1000	1000	1000	0	1000	1000	1000	1000	1000	1000	0	1000	1000	1000	1000	0	1000
1001	1001	1001	1001	1001	0	1001	1001	1001	1001	1001	0	1001	1001	1001	1001	1001	1001	0	1001	1001	1001	1001	0	1001
1002	1002	1002	1002	1002	0	1002	1002	1002	1002	1002	0	1002	1002	1002	1002	1002	1002	0	1002	1002	1002	1002	0	1002
1003	1003	1003	1003	1003	0	1003	1003	1003	1003	1003	0	1003	1003	1003	1003	1003	1003	0	1003	1003	1003	1003	0	1003
1004	1004	1004	1004	1004	0	1004	1004	1004	1004	1004	0	1004	1004	1004	1004	1004	1004	0	1004	1004	1004	1004	0	1004
1005	1005	1005	1005	1005	0	1005	1005	1005	1005	1005	0	1005	1005	1005	1005	1005	1005	0	1005	1005	1005	1005	0	1005
1006	1006	1006	1006	1006	0	1006	1006	1006	1006	1006	0	1006	1006	1006	1006	1006	1006	0	1006	1006	1006	1006	0	1006
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1008	1008	1008	1008	1008	0	1008	1008	1008	1008	1008	0	1008	1008	1008	1008	1008	1008	0	1008	1008	1008	1008	0	1008
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World Roundup

Pistons Fire Collins

BASKETBALL The Detroit Pistons dismissed Doug Collins as coach Monday. Collins will be replaced by an assistant, Alvin Gentry. Rick Sund will assume Collins' job of director of basketball operations.

Collins led the Pistons to winning records in his first two seasons, including a 54-28 record last season. This season the team has struggled to reach .500. Collins has often clashed with players. (AP)

\$55 Million for Salas?

SOCCER River Plate, the Argentine champion, has agreed to sell the Chilean striker Marcelo Salas to Lazio of Rome for \$21 million as part of a deal worth \$55 million, Argentine newspapers reported.

The deal includes a net \$17.5 million in wages for Salas over seven years, and \$15.75 million in taxes to be paid by Lazio in Italy, according to Clarin daily. River Plate will not release Salas until June. (Reuters)

Record America's Cup Boat

SAILING A record 16 yacht clubs have entered as challengers for the America's Cup in Auckland, New Zealand, in February 2000. The clubs put up bonds by the midday Saturday deadline, the America's Cup Challenge Association said.

The clubs will compete in the Challenger Series Selection in Auckland in October 1999. The winner will meet a boat from New Zealand, the defending champion, for the America's Cup proper, beginning Feb. 26, 2000. (AP)

Moon Eclipses NFC

FOOTBALL The Seattle quarterback Warren Moon, at 41 the oldest Pro Bowl player, led a late rally as the AFC beat the NFC, 29-24, on Sunday in Honolulu. Moon, selected the MVP, guided the AFC to a field goal and a pair of touchdowns in the fourth quarter, scoring the go-ahead TD on a 1-yard run. (AP)

Too Wet at Pebble Beach

GOLF Rain forced the Pebble Beach National Pro-Am to take the unusual step of rescheduling the final round for March 2. Heavy rain overnight and Monday morning flooded the greens. The round will be held next month, on the Monday after the Nissan Open in Valencia, California. Tom Watson was the co-leader after Saturday's second round with Tim Herron at 10-under 134. (AP)



Aya Kawai, right, and Hiroshi Tanaka of Japan practicing Monday at the White Ring ice arena in Nagano.

Skater Defends East German Past

By Jere Longman
New York Times Service

IN THE former East German sports system, athletes were chosen the way some people choose tomatoes: Body type meant everything. Gunda Niemann was told her legs were too short for track and field. She switched to speed skating at age 17. Nine years later, at the 1992 Winter Olympics in Albertville, France, she became the first woman to win a gold medal for a reunified Germany.

"I am very proud of this medal," Niemann, 31, said. "It is close to my heart. I was skating for all of Germany."

She won two gold medals in Albertville and a third at the 1994 Winter Games in Lillehammer, Norway, becoming dominant in distance skating. She is the world champion at 1,500 meters, 3,000 meters and 5,000 meters. She has adapted well to the new hinged blades and could add three more golds in Nagano, Japan, this month.

Because she won all of her medals for a unified Germany, one is asking that she give any of them back. Her predecessors in the East German system are not so lucky.

East Germany is going, but revelations and suspicions about its dishonest athletic past continue. Some swimmers and officials in the United States, and elsewhere in the West, have demanded that so-called tainted medals be returned and perfunctory accomplishments be erased from the books.

Documents and admissions in recent years have revealed what many had expected — that the East Germans' championship by building an in-

ternational sports power, in part, through a state-sponsored system of doping. Many athletes apparently did not know they were receiving drugs, believing instead they were taking vitamins. Four former East German swimming coaches and two physicians have been charged with causing harm to 17 teenage athletes in the 1970s and 1980s by giving them muscle-building anabolic steroids.

Continuing investigations by German prosecutors have produced disturbing findings. Petra Kind-Schneider, a gold medalist swimmer at the 1980 Olympics in Moscow, has said that she was given steroids beginning at age 14, without her knowledge, and that she now suffers from liver and heart problems.

Heidi Krieger, the 1986 European champion in the shot put, said she was given huge doses of the male sex hormone testosterone, which serves as a steroid, that she developed facial hair, an Adam's apple and acute psychological problems. According to the magazine Der Spiegel, she considered the process irreversible and has changed her name to Andreas after two operations intended to make her a transsexual.

Reverberations have reached the upper levels of the German government. On Jan. 9, Interior Minister Manfred Kanther rejected as "one-sided" and "absurd" the demands that former East German athletes be stripped of their Olympic medals. Walter Trogner, president of the German Olympic Committee, agreed, saying that erasing the results of previous Olympics is "surely not the proper way" of overcoming the problem of doping.

Niemann, the star speed skater, and others have pointed out that athletes in the West also use performance-enhanc-

ing drugs, so the East Germans should not be singled out for punishment. One of the main problems with drug testing is that there are no certified tests for two performance-enhancing substances that athletes are widely suspected of using — human growth hormone, and EPO, or erythropoietin.

"This problem in sport is worldwide," Niemann said. "It's not appropriate to find a scapegoat in the former East Germany."

The International Olympic Committee feels the same way. At meetings in Nagano this week before the Winter Games begin Saturday, the IOC is expected to put a four-year limit on challenges to athletic performances. For instance, if someone questioned a gold medal at the Nagano Games, the matter would have to be successfully challenged before the Salt Lake City Games in 2002, or it would stand forever as a gold medal.

"It is a policy not to rewrite history," said Francois Carrard, director-general of the IOC.

Niemann has repeatedly said that she did not use drugs as an East German athlete and that she was never an informant for the Stasi, the former East German secret police. She has not been linked to either matter.

German skating authorities said that she is drug-tested up to 30 times a year, sometimes twice in one day, and has never failed a drug test.

"I'm very clean," she said. Asked if she were concerned that she may have been given drugs without her knowledge and may later suffer health consequences, Niemann said, "I'm as fit and healthy as I can be."

Orioles' Old-Folks Home Needs New Coat of Paint

By Thomas Boswell
Washington Post Service

B.J. Surhoff, a Baltimore Orioles outfielder who will be 34 this season, told the team's general manager, Pat Gillick, last week that "you better hurry up and get me signed to a contract extension."

"Why?" said Gillick.

"Because I may be your youngest player," said Surhoff.

The Orioles like to brag that Babe Ruth was born in a house that stood in what now is the outfield of Oriole Park at Camden Yards. It's a good thing Ruth

No wonder the Orioles want to trade Jeffrey Hammonds. At 26, he's the only one on the club who doesn't think of punk rock as New Age.

The Orioles aren't old. They're ancient. Terry Mathews, Alan Mills and even Roberto Alomar and Scott Erickson all will be past 30. Baltimore is paying \$70 million in salaries to a team that fully expects to win a pennant. Yet baseball history says that a team this old, at so many positions has one probable destiny: late-season disintegration.

To join the Orioles, it takes more than mere age. You have to provide conclusive documentation that you have had a stellar career but that, finally, you are probably prime scrap-heap material. Carter hit .234 last year; Gorman hit .242. Drabek has been a 5.00 earned-run average man for three years.

Then, to Baltimore, you're valuable. The Orioles have a theory: Go For The Old. It's a tactic that's worked for many, contending teams. Add some classy ex-All-Stars who are at the end of the road. Be smart, unselfish and clutch. Play like a true team. Win it all.

But does any club really want to be this old? The team's new manager, Ray Miller, told Gillick that, when adding personnel, "I only want gamers." He's got 'em. In their primes, a lineup of Anderson, Alomar, Palmeiro, Carter, Ripken, Davis, Baines, Hoiles and Bordick/Guillen might have matched any nine ever assembled. Carter, Ripken and Baines rank Nos. 1-2-3 in the active runs-batted-in list with a total of more than 4,300 among them.

But how many Orioles players — besides 29-year-old Mike Mussina — are in their primes? Perhaps Erickson, Arthur Rhodes and Alomar (if his various ailments heal) still are. The rest?

Very few these days, however, have ever been constructed around one famous pitcher and so many aged question marks. And even fewer teams, already old, have deliberately spent an off-season getting much older.

The reason's clear. The Orioles have no real choice. The owner forced out a famous, successful manager. In baseball terms, that sends a message throughout the organization that the club should have gone to the World Series last year, but did not. So it must go to the Series this year. How do you get better? You have no hot prospects of note, nor any surplus kids to trade. Your payroll is already bloated. So, you add high-character, low-budget old-timers coming off lousy years.

And then you cross your fingers. By this season's end, Camden Yards may be named in baseball lore: Jurassic Park, home of a team that could turn out to be the oldest championship team. Candor, however, requires one caveat: The long-term prognosis for dinosaurs has never been good.

Juninho Breaks Leg and May Miss World Cup

Compiled by Our Staff from Dispatches

Juninho, the Brazilian midfielder, could miss the 1998 World Cup in France because of a leg and ankle injury that required surgery Monday.

The Atletico de Madrid midfielder fractured his fibula and ligaments of his left ankle when he was fouled by Michel Salgado of Celta Vigo in a Spanish first division match that ended, 1-1, Sunday.

"Doctor, and the World Cup?" was Juninho's only question when he was examined, El Pais reported.

Juninho, 24, was operated on in a Madrid clinic. Doctors there said he would need from three to five months to

recuperate fully.

"He might be able to play, but it is impossible to ignore the problems," said Dr. Pedro Guilleu.

Juninho, who is 5-foot-3-inches (1.6 meters) tall, reportedly broke into tears when he heard the news. Brazil begins its defense of the World Cup in France on June 10.

"It was not my intention to hurt him," said Michel. "Although, as I was the last defender, I suppose I should have got the red card."

Ciro Ferrara, the Italian defender, may also be out of the World Cup after breaking his leg while playing for Italian

league leaders Juventus in a 2-0 victory at Lecce on Sunday. He sustained the injury in a tackle with Alessandro Conticchio and will undergo surgery in Turin on Wednesday when he may have pins inserted to his tibia and fibula.

Ferrara, 30, also missed the 1996 European Championship with a muscle injury.

Riccardo Agricola, the team doctor, said Monday that Ferrara was unlikely to be fit for the World Cup. "I consider it almost impossible," he said. "Injuries of this sort usually take five to six months for a full recovery to match fitness." (AP, Reuters)

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ART BUCHWALD

What If...

WASHINGTON — If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
And if your head should fall under her bra had failed to work,

And if Monica Lewinsky had been assigned as an intern to our embassy in South Korea instead of the White House;
And if Kenneth Starr had announced that sex scandals had nothing to do with Whitewater;
And if the definition of what constituted a sexual act had nothing to do with oral sex;
And if the president had not bought Monica a sweatshirt at the Black Dog on Martha's Vineyard;

And if Mr. Clinton had apologized to Paula Jones and presented her with a check for \$700,000;

And if Vernon Jordan had not acted as a headhunter for Monica Lewinsky;

And if the FBI had not tried to talk Monica into recanting her story;

And if Jennifer Flowers had not come back to haunt Mr. Clinton and force him to admit that he did have an affair with her;

And if the press had not been bored with a balanced budget and wanted something to lift the country out of its winter doldrums;

And if Janet Reno had said to Starr, "You're barking up the wrong tree, luster";

And if somebody, anybody, in the White House had said, "Mr. President, what you're doing could look bad on Ted Koppel's show";

And if Kathleen Willey, a White House aide, had not come out of the Oval Office looking disheveled, with her lipstick smudged, flustered, happy and joyful (according to Linda Tripp);

And if the Secret Service had said, "No White House interns can go into the Oval Office without a written O.K. from Mrs. Clinton";

And if all these "ifs" had taken place, the country would now be talking only about the Winter Olympics;

And if you can talk with crowds and keep your virtue;
Or walk with kings — nor lose the common touch;
Or neither foes nor loving friends can hurt you;
Then, dear Mr. President, hang tough.



Buchwald

The Little Mermaid Gets Her Head Back

Agence France-Press

COPENHAGEN — The graceful Little Mermaid has her head back a month after being decapitated by vandals. Danish officials said Monday.

The bronze sculpture,

which stands on the capital's northwest waterfront, had its head welded back on over the weekend but remains hidden from view in a plywood crate while repairs go on. It will not be unveiled until the end of the week.

Fact vs. Fiction: Pity the Washington Novelist

By David Streitfeld
Washington Post Service

WASHINGTON — Pity the poor Washington novelist, hunched over his word processor trying to make imagination out of reality. What invested scenario, what mere contrivance of plot and character, could rival the unlikely characters and improbable events that have saturated the newspapers and airwaves during the past two weeks?

Christopher Buckley was coming home on the Metroliner, working on a chapter in his new novel that involved a black friend of the president, a smooth fixer-type named Burton Galilee.

Buckley happened to glance at the newspaper next to him. There was a story about his character's real-life model, Vernon Jordan, and his involvement in the scandal surrounding President Clinton and former White House intern Monica Lewinsky.

"I just thought, 'Why bother?' Who needs satire when this show is running?" says Buckley, author of "The White House Mess" and "Thank You for Smoking." "The hardest part of being a comic novelist is competing with the front page."

David Baldacci, author of the popular presidential thriller "Absolute Power," seconds the notion that "the imagination of even the best fiction writers is constantly usurped by real events. The temptation for the writer is to keep going to such extremes that eventually he loses plausibility completely."

Novelists like Buckley and Baldacci know that fiction, more than anything, has to have that plausibility. Events must happen in logical sequence; characters need to be consistent; wild coincidences should be skipped. Even the surprises and sudden twists must be coherent.

Reality is under no such constraints. It's messy.

"I think fiction can compete — barely — with the American politi-

cal reality," says Gore Vidal, who has written a half-dozen novels, including "Empire" and "Washington, D.C.," set in the corridors of power. "But fiction in me good must seem true while reality in our lawless media-ized land creates untruth to such an extent that nothing is ever really plausible."

That's the trouble with the Lewinsky story. No matter how true it may ultimately be, it sure doesn't seem true.

"If I had written a novel where the president had an affair with a 21-year-old intern who refused to clean a dress for the reasons Lewinsky was supposedly refusing to clean a dress, no editor in New York would have allowed me to keep that scene in," says Charles McCarthy, author of "Second Sight," "The Secret Lovers" and other tales of Washington intrigue. "They would have said it was unbelievable."

Only a brave or foolhardy writer would undertake a Washington novel against this colorful, unpredictable landscape. "It's a Sisyphean task," Buckley says. "You need strong shoulders and very good climbing boots."

"It started like most of my life does, as a joke, a one-liner," says Larry Beinhart, the novelist whose work, thanks to Hollywood, neatly anticipated the current scandal. "I was watching the Gulf War on CNN, and I said, 'Hey, this is a made-for-TV movie.'"

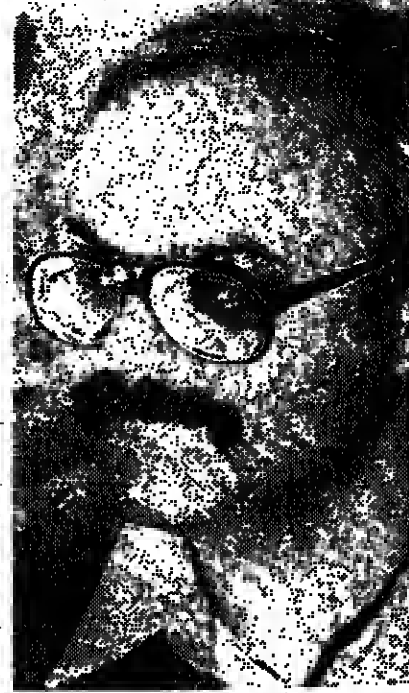
He can't remember whom he said it to, but he remembers this: She didn't laugh. So he said it to other people. They didn't laugh either. They seemed to think he was saying, "This is just like a TV movie." But Beinhart meant: "There is a guy somewhere who directed and scripted this."

No one understood, so he expanded his joke by a couple of

hundred pages into a novel,



The Washington writers Christopher Buckley, left, and Garrett Epps.



The Washington writers Christopher Buckley, left, and Garrett Epps.

"American Hero." "It was a heavily researched, insanely complicated political satire about how the dying Republican strategist Lee Atwater concocts the Gulf War with the help of some Hollywood filmmakers, all part of a plot to re-elect President Bush."

Published in 1993, the novel did only modestly well, but it caught the attention of Hollywood. The result, with a presidential scandal added and the title changed, was "Wag the Dog." You know the plot: The president gropes a young visitor to his office; to get everyone's minds off the resulting uproar, he and a team from Hollywood make it look as though the United States has gone to war with Albania.

Once again the reviews were less than stellar, but the filmmakers are having the last laugh. Life is currently imitating art, right down to

the possibility that if the United States attacks Iraq, the media will have been primed by the film to suggest that Clinton did so in part to switch the topic from Lewinsky.

"It's really hard to stay ahead of the loop on this," says the 50-year-old Beinhart. But if "Wag the Dog" managed it, matters are less sure with his new novel, "Man of the People," which he's finishing now.

"It's about sex, which is the only issue in American politics," the writer explains. "There are now two parties in this country, the sex party and the anti-sex party. There's a relative consensus on all the financial issues, the defense issues. What's left? Sex. And they're killing people over it — a reference to last week's fatal bombing at a Birmingham abortion clinic. The plot involves a senator who is impeached for adultery and cor-

ruption. The model for the main character is former Senator Bob Packwood, who was disgraced over sexual harassment charges. Of course, by the time the book is published, readers will think Beinhart was inspired by Clinton.

"I don't care," the author maintains. "You've got to get past that. It's like picking out a tie. You're going out to dinner and you can't make up your mind — this tie too hip, that one too formal. Eventually it's five minutes to 8, so you grab a tie and go, hope for the best."

As for the real-life events, what struck him is "the utter seriousness with which everyone was reporting this. But it's a sex farce. It's like a satire of 'Melrose Place.'"

So real-life events seem like a sendup of a television show that already lampoons reality, while the satirical movie that was designed as a sendup of reality is considered so dangerously close to it that pundits wonder if it will inhibit the president from acting against Iraq. No wonder the novelists are lost.

The trouble isn't that the scandal seems like fiction. It's that it seems like stupid fiction. Presidents are supposed to be brought low by bigger crimes than this. In Baldacci's "Absolute Power," the president doesn't merely have a mistress, he gets in a drunken knife fight with her; to protect him, the Secret Service kills her.

Says Garrett Epps, author of "The Floating Island: A Tale of Washington," "In a David Baldacci book, the person who finds evidence of high-level wrongdoing would call the crusty former CIA agent now living in retirement in Montana, the one person they can trust. But this being the real world, who did Linda Tripp call? Her literary agent. This is what I mean by the banality of it all."

MOVIES

Acting Out the Past
In Tour of Old Shanghai

By Alison Dakota Gee

SHANGHAI — The bustling boulevard certainly looks like Nanjing Road, the thoroughfare that for the last century has been Shanghai's busiest. Only rickshaws and horse-drawn carriages — not diesel buses and taxis — speed down these streets. Men in fedoras and flowing Chinese silk jackets walk briskly past tea houses and a European-style hotel, disappearing down cobblestone alleyways. But the skillfully crafted ruse quickly falls apart as soon as a man wearing Ray-Ban sunglasses, jeans and a down jacket runs into view. He utters a single word: "Cut!"

The stretch of grain shops, Chinese herb kiosks, photography studios, colonial clock towers and foreign trading houses is not the real Nanjing Road but a meticulous, almost eerie, re-creation of the famous boulevard, almost exactly as it was in the 1930s.

It represents the first phase of the local film industry's ambitious — and some say outrageous — plan to create a \$100 million Shanghai Film Studio Tour. Studio officials contend that construction will be finished in just three years. Then, these 200 acres (80 hectares) of former paddies will become home to eight historic Shanghai backdrops. The district's ancient temples and pagodas, rivers and lakes, Art Deco houses, dance halls and opium dens, populated by a seasoned group of professional Shanghai extra actors, will spring to life here — just as the lightning-speed development of the real Shanghai is turning many of these grand monuments into casualties of the wrecking ball.

Shanghai of the early to mid 20th century is possibly the most popular

period of Chinese history for national, Hong Kong and international film productions. Shanghai symbolized the pinnacle of cultural and financial collaboration — and collusion — between East and West.

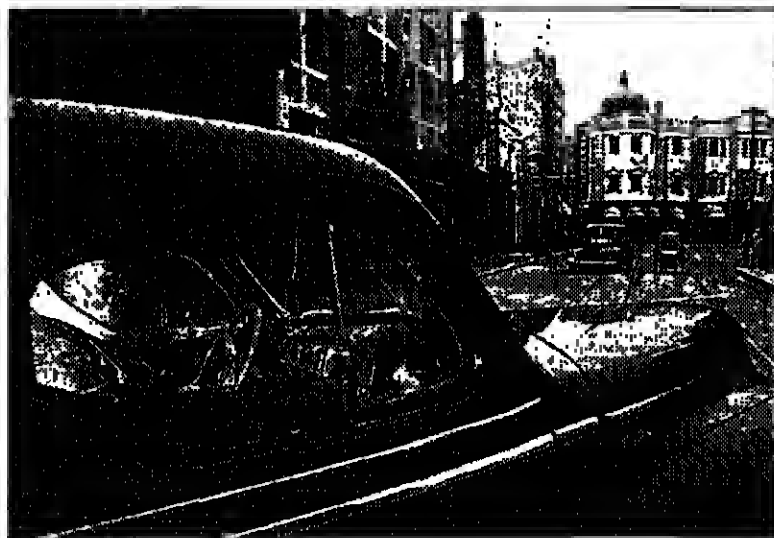
"It was a time of twisted prosperity," said John Z. Zhong, managing director of the studio's foreign co-productions. "Foreigners love it. When Somerset Maugham came here during that time he thought it was paradise."

In fact, international producers often say that the only Chinese movies that will sell tickets in the West are ones set in old Shanghai that feature Gong Li. Witness the recent work of two mainland masters. Both Zhang Yimou's "Shanghai Triad" and Chen Kaige's "Tempest Moon" starred Gong and focused on decadent Shanghai life in the 1930s. Both were among the few Chinese films to enjoy international release.

Hong Kong filmmakers routinely crank out films set in old Shanghai. "Shanghai Grand" and "18 Springs," for example — because they are surefire audience pleasers. Life in old Shanghai makes popular viewing for the average Chinese too: Three top-rated Chinese television shows are shooting here.

The Shanghai Film Studios Tour is meant to rival its American counterpart, the Universal Studios Tour, creating a parallel universe — with a wholly Chinese focus. Other proposed attractions include a Special Effects Show and a Cartoon World, tourist trains, souvenir shops and Chinese fast-food stands.

But exactly how the studio will come up with the funds to complete the project is unclear. Studio-tour construction plans come at a time when China's film industry is experiencing one of its worst creative



A driver awaits his cue on a set at Shanghai Film Studios.

and financial droughts since the Cultural Revolution. Zhong said that one of the "big eight" Hollywood studios proposed to invest as much as \$1 billion in the project — an offer the studio quickly rejected. "We could not make an equal investment — and we wanted to retain control," he said.

U.S. investors also wanted to charge tourists \$100 per ticket. "We are thinking more like \$100 renminbi (around \$12)," Zhong said. "Otherwise no Chinese will come."

Studio officials say their film directors are now making commercial box-office hits whose earnings will be poured into the construction of the next few tour phases. For the rest, the studio plans to cultivate other Asian investors looking to enter China's potentially huge market.

Visions as grand as the entertainment park are nothing new for the Shanghai Film Studio. The company's place in Chinese moviemaking history is exalted: "Shanghai Film Studios produces half the stars in the sky," goes an old saying. In 1918, the city held China's first film screening. (The event was called "Western

Shadow Play.") In 1913, Shanghai Xin Min Film Co. (which became part of the Shanghai Film Studios in 1949) produced China's first film, "Suffering Couples."

"Shanghai Film Studios has always been full of opportunists," said Law Kar, who as a Hong Kong film festival coordinator, has strong ties to Shanghai film world. "It's been a bastion for leftist thinkers who have a lot of experience dealing with foreigners."

Unlike the Beijing Film Studios, whose movies are more likely to reflect popular political thought, the Shanghai film industry has always been more cosmopolitan and commercial. Clearly, Law said, today it hopes to capitalize on its ties with the West, cultivating foreign investment so that Shanghai filmmaking can stay at the top of the industry.

Zhong agreed. "We're certainly the best studio in all of China — but we're not as good as other countries," he said. "In this next century, our hope is to become as good as anybody in the West."

Alison Dakota Gee is a Hong Kong-based journalist.

'Titanic,' the Unsinkable Film

By Bernard Weinraub
New York Times Service

LOS ANGELES — "Titanic" was a mega-disaster, comparable to "Waterworld," "Cuthbert and the Heavens' Gate."

"Titanic" would sink the jobs of some top executives at 20th Century-Fox, the studio that provided the bulk of the financing, with Paramount for a movie that cost at least \$200 million to produce and at least \$50 million to market. "Titanic" was a metaphor for Hollywood filmmaking gone amok: a movie whose director, James Cameron, went over budget by an estimated \$100 million.

Three-hour-plus film that was trashed before it even opened — no big stars, a story about the doomed luxury liner that offered few surprises — has turned into a movie that just may draw the biggest box office in history. Whether or not the movie actually turns a huge profit, given its record cost and the fact that about half the box office goes to theater owners, is another matter.

"We don't know where this will end up; it's

premature to talk about it," said William Mechanic, chairman of Fox Filmed Entertainment. "Oversaw, it's much too early to predict. We weren't counting when we were down, and we're not counting when we're up. Let's just say the performance of the movie is amazing."

The film, starring Leonardo DiCaprio and Kate Winslet as young lovers aboard the ship, surpassed the \$200 million box-office mark in the United States this weekend. "Titanic" has already turned into what Hollywood terms a cultural event, a movie so embedded in the culture that critical reviews are irrelevant. Who hasn't seen such other event movies as "Jaws," "E.T.," "Star Wars" and "The Godfather?"

The movie could possibly surpass the most successful motion picture ever, Steven Spielberg's 1993 adventure, "Jurassic Park." That film grossed \$914 million worldwide.

"Titanic," which has only been playing for about six weeks in the United States, has opened abroad to huge success in Japan, Britain, France, Brazil and several other nations — but has not been widely released. So far, the film has grossed \$230 million overseas.

PEOPLE

THE author Arthur C. Clarke's investiture as a knight by Prince Charles was postponed on Monday after allegations about his sex life. Clarke, the author of the novel and the film "2001: A Space Odyssey," said he was angry at the allegations made in a London tabloid and had asked for his investiture to be delayed to avoid embarrassing the prince. Charles had been expected to knight Clarke when he visits Sri Lanka, the writer's long-time home, this week. "I am outraged by the Sunday Mirror's allegations, and I am seeking legal advice," Clarke said in a statement in Colombo. "In view of the nature of this story, I have asked that my investiture be postponed in order to avoid embarrassment to HRH the Prince of Wales during his visit to Sri Lanka."

After having several gallstones removed during his liver transplant in 1995, Larry Hagman sent them to the artist Barton Benes, who made one into a ring. "He has a great sense of humor," Benes said. The artist, who collects weird celebrity objects, also has a surgical staple from Hagman's transplant and a cough drop that President Bill Clinton threw into an ashtray before a TV interview.

Stephen King, the dean of horror fiction, worked up a script for an episode of "The X-Files" that was sent back by producer Chris Carter for revisions, then rewritten completely. "Chris is a real gentleman, but basically he came back to me and said 'This isn't what we wanted.' King said. He said he liked his version better, but added that Carter's was fine work. Despite the disagreement, King plans to write another script for "The X-Files" this year.

Queen Elizabeth the Queen Mother is making good progress after her hip-replacement operation. Buckingham Palace said, "Her Majesty is walking a little farther each day," a palace spokesman said, but added that it was too early to say when she would leave the hospital. The Queen Mother fractured her left hip in a fall on Jan. 25 while inspecting horses at Queen Elizabeth's estate in eastern England.

Doctors operated that night. She has received some good news during her recovery: The mare she was visiting when she fell has since given birth to a filly.

Arnold Schwarzenegger testified in a Los Angeles trial that his heart was "pounding like crazy" when two photographers chased him, his wife, Maria Shriver, and their son Patrick on the way to the boy's preschool. The photographers, Giles Harrison and Andrew O'Brien, are charged with illegally blocking Schwarzenegger's car to shoot photos. The defense attorney argued that the pictures and videotapes taken by his clients would show that the car was never boxed in.

Swarms of would-be movie extras seeking parts in Bruce Willis' new film, "Breakfast of Champions," were eager for a glimpse of the movie star — and perhaps a bit of Willis' impersonator crashed the casting call. Twin Falls, Idaho, and fooled most people into thinking he was the real thing, signing autographs, posing for photos and giving an "exclusive" interview to a TV reporter from Boise who bought the act, at least for a while. Willis was actually spending the afternoon in nearby Hailey, rehearsing with his band for a gig at a local nightclub. More than 2,700 Hollywood hopefuls showed up at the casting call, vying for one of 700 extra roles in the film adaptation of Kurt Vonnegut's 1973 novel.



THE LITTLE STAMP? — Sydney Chaplin, son of Charlie Chaplin, stands next to a poster of the new stamp of his father issued by the U.S. Postal Service.

A Chekhovian Challenge for the Moscow Art Theater

By Marina Lakhman
New York Times Service

MOSCOW — Oleg Efremov, the artistic director of the Moscow Art Theater, is 70. He has seen a lot of Chekhov in his day. And he is opinionated about all of it. In fact, he thinks that productions of the playwright's masterpieces in his native country have become so predictable, such crowd pleasers, that it is impossible to feel the author's original intentions anymore.

"If I went out in the street," Efremov said recently, speaking in Russian, "and asked any person how he would pronounce a specific Chekhov phrase, I could predict exactly how he would do it."

"I knew," he said, "that there is such a variety of everything in Chekhov, that beyond these stereotypes there is something more — and I wanted to pull it out."

The moment he chose was significant and celebratory: 1998 is the centennial of the theater's founding by Konstantin Stanislavsky, whom many regard as the father of modern theater, and Vladimir Nemirovich-Danchenko, also a director and teacher.

Efremov's new version of "The Three Sisters," which opened to critical praise in Moscow last year, will be presented for seven performances in Russian (with simultaneous English translation), beginning Friday at the Brooklyn Academy of Music.

This is the third time that the company will have performed in the United States, and on each occasion it has brought a version of "The Three Sisters."

Chekhov wrote the play, about three unhappy women longing for meaning in their lives, for the Moscow Art Theater, which premiered it in 1901. Stanislavsky, who directed it and performed in it, believed the play is not about characters who are bored with life but about those who desperately want to live.

During the troupe's first American tour in 1922-23, when its work had not yet been affected by Communist propaganda, Lee Strasberg saw the naturalistic Stanislavsky style that later became the foundation of the Method he would teach at the Actors Studio.

In time, though, he would be accused of distorting Stanislavsky's system of acting that emphasized psychological realism rather than the highly stylized theatrical conventions that prevailed in the 19th century.

In its 1965 visit, the company brought "Kremlin Chimes," a Soviet-era play that praised the virtues of communism. Efremov said the Soviet version of "The Three Sisters" stressed that the characters were missing a better life and "poeticized Chekhov."

Now, said Anatoli Smeliansky, the theater's associate artistic director, "we are bringing the end-of-the-century Art Theater, the Art Theater of

the New Russia: it's "Three Sisters" without 'Kremlin Chimes.'"

Efremov said that overcoming the poeticized Chekhov was the greatest challenge. His new "Three Sisters" is based on the idea of humanity's dependence on nature. "Although Chekhov wasn't an ecologist," Efremov said, "he was writing about the fact that human beings are closely tied to nature and the entire process of life."

Friends, he joked, have labeled his theory "metecological directing." "This is the first production," he said, "in which Chekhov's characters are so dependent on the changing cycle of nature. Spring, summer, fall, winter — everything is built on this foundation."

Seasons in Russia are extreme, Efremov noted, and the vast weather changes are reflected in the play. He has, accordingly, set it in a single park, which dramatically alters with the seasons. In terms of directing his actors, Efremov said he does not abide by one style of performance. He studied acting with students of Stanislavsky and believes that the master's "method" is unfinished and forever fluid.

"When Stanislavsky's teachings became a final and unmovable dogma," he said, "it quickly alienated people who believe that those in the arts must constantly evolve, move forward and discover something new."